

CIRCULAR DATED 20 MAY 2025

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Charisma Energy Services Limited (the “Company”). **If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Capitalised terms used but not defined on the cover of this Circular bear the same meanings as ascribed to them in the section entitled “Definitions” of this Circular.

If you have sold or transferred all your shares in the capital of the Company held through CDP, you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular 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 “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

This Circular (including the Notice of EGM and the Proxy Form) may be accessed on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>. A printed copy of this Circular will NOT be despatched to Shareholders unless requested by the Shareholders via the submission of the request form to request for printed copies of the Circular (the “Request Form”). The printed copies of the Notice of EGM, Proxy Form and Request Form have been despatched to Shareholders and are also available on SGXNet.

The EGM will be held by way of physical means only at 51 Cuppage Road, #03-03, Singapore 229469. Accordingly, Shareholders and their duly appointed proxy (proxies) will not be able to attend the EGM by way of electronic means. Please refer to section 13 (*Action to be taken by Shareholders*) of this Circular for further details, including the steps to be taken by Shareholders to participate at the EGM.

The approval in-principle has been granted by the SGX-ST on 9 December 2024 to the Company for the resumption of trading of its Shares on the Catalist of the SGX-ST, subject to certain conditions. Such approval in-principle is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Share Consolidation, the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares, the Consolidated Shares, the Company and/or its subsidiaries.

An additional listing application will be made through the Sponsor, to SGX-ST for permission for the listing and quotation of the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares and the Consolidated Shares on the Catalist of the SGX-ST. The listing and quotation notice for the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares and the Consolidated Shares, if issued by SGX-ST, is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Share Consolidation, the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares, the Consolidated Shares, the Company and/or its subsidiaries.

This Circular does not constitute an offer to sell or a solicitation of an offer to buy shares nor shall there be any sale of any shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under any securities laws of such jurisdiction. This Circular is issued to Shareholders (as defined herein) solely for the purpose of providing Shareholders with the information pertaining to, and seeking Shareholders’ approval for, the resolutions to be proposed at the EGM. Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate it to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.



CHARISMA ENERGY SERVICES LIMITED

(Incorporated in the Republic of Singapore with limited liability)
(Company Registration Number: 199706776D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

- (1) THE PROPOSED ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES (THE “SUBSCRIPTION SHARES”) TO YIN KHING INVESTMENTS LIMITED (THE “SUBSCRIBER”) (THE “PROPOSED SUBSCRIPTION”);**
- (2) THE PROPOSED GRANT OF UNLISTED AND FREELY TRANSFERABLE OPTIONS TO THE SUBSCRIBER, WITH EACH OPTION CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE (AN “OPTION SHARE”) (THE “PROPOSED GRANT OF OPTIONS”);**
- (3) THE PROPOSED CONVERTIBLE LOAN OF A PRINCIPAL AMOUNT OF UP TO S\$10,255,000 AND THE PROPOSED ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES (THE “CONVERSION SHARES”) TO THE SUBSCRIBER PURSUANT TO THE FULL CONVERSION OF THE PRINCIPAL AMOUNT OF THE PROPOSED CONVERTIBLE LOAN, (THE “PROPOSED CONVERTIBLE LOAN”);**
- (4) THE PROPOSED ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES (THE “SETTLEMENT SHARES”) TO CERTAIN CREDITORS OF THE COMPANY PURSUANT TO THE PROPOSED DEBT RESTRUCTURING (AS DEFINED HEREIN) (THE “PROPOSED ISSUE OF SETTLEMENT SHARES”);**
- (5) THE PROPOSED ALLOTMENT AND ISSUE OF SETTLEMENT SHARES TO EZION HOLDINGS LIMITED (IN LIQUIDATION), AS AN INTERESTED PERSON TRANSACTION (THE “PROPOSED ISSUE OF SETTLEMENT SHARES TO EZION”);**
- (6) THE PROPOSED ALLOTMENT AND ISSUE OF SETTLEMENT SHARES TO MR. CHEW THIAM KENG, AS AN INTERESTED PERSON TRANSACTION (THE “PROPOSED ISSUE OF SETTLEMENT SHARES TO MR. CHEW”, COLLECTIVELY WITH THE PROPOSED ISSUE OF SETTLEMENT SHARES TO EZION, THE “PROPOSED ISSUE OF SETTLEMENT SHARES TO INTERESTED PERSONS”);**
- (7) THE PROPOSED ALLOTMENT AND ISSUE OF SETTLEMENT SHARES TO MR. PATRICK TAN CHOON HOCK (THE “PROPOSED ISSUE OF SETTLEMENT SHARES TO MR. PT”);**
- (8) THE TRANSFER OF CONTROLLING INTEREST TO THE SUBSCRIBER ARISING FROM THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES TO THE SUBSCRIBER (THE “PROPOSED TRANSFER OF CONTROLLING INTEREST”);**
- (9) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM THE SUBSCRIBER FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THE SUBSCRIBER AND ITS CONCERT PARTIES (THE “PROPOSED WHITEWASH RESOLUTION”); AND**
- (10) THE PROPOSED CONSOLIDATION OF EVERY 1,000 ORDINARY SHARES OF THE COMPANY AS AT THE SHARE CONSOLIDATION RECORD DATE (AS DEFINED HEREIN) INTO ONE (1) CONSOLIDATED ORDINARY SHARE, WITH ANY FRACTIONAL ENTITLEMENTS TO BE ROUNDED UP TO THE NEAREST WHOLE CONSOLIDATED ORDINARY SHARE (THE “PROPOSED SHARE CONSOLIDATION”).**

Independent Financial Adviser to the Independent Directors
in relation to the Proposed Issue of Settlement Shares to Interested Persons and
the Proposed Whitewash Resolution



Xandar Capital Pte. Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200002789M)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	1 June 2025 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	4 June 2025 at 10:00 a.m.
Place of Extraordinary General Meeting	:	51 Cuppage Road, #03-03, Singapore 229469

CONTENTS

CONTENT	PAGE
DEFINITIONS	4
FORWARD-LOOKING STATEMENTS	16
LETTER TO SHAREHOLDERS	17
1. INTRODUCTION	17
2. THE PROPOSED SUBSCRIBER TRANSACTIONS	21
3. THE PROPOSED DEBT RESTRUCTURING	43
4. THE PROPOSED TRANSFER OF CONTROLLING INTEREST	52
5. THE PROPOSED WHITEWASH RESOLUTION	54
6. INDEPENDENT FINANCIAL ADVISER	57
7. THE PROPOSED SHARE CONSOLIDATION	59
8. INDICATIVE SHAREHOLDING INTERESTS	67
9. CONSOLIDATED FINANCIAL EFFECTS	67
10. STATEMENT FROM THE AUDIT COMMITTEE	69
11. DIRECTORS' RECOMMENDATIONS	70
12. EXTRAORDINARY GENERAL MEETING	71
13. ACTION TO BE TAKEN BY SHAREHOLDERS	72
14. RESPONSIBILITY STATEMENT	74
15. DOCUMENTS FOR INSPECTION	74
APPENDIX A – CHANGES IN SHAREHOLDING INTERESTS	A-1
APPENDIX B – EXTRACTS OF THE ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS	B-1
APPENDIX C – DETAILS OF CREDITORS	C-1
APPENDIX D – IFA LETTER	D-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM FOR EXTRAORDINARY GENERAL MEETING	

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“AIP”	:	Approval in-principle
“AM2”	:	Anchor Marine 2 Inc, a wholly owned subsidiary of the Company as at the Latest Practicable Date
“Approved Scheme Claims”	:	The claims of the Scheme Creditors against the Company to the extent admitted by the Scheme Managers or established by the Scheme Creditor in proceedings in accordance with the Scheme of Arrangement, for the purpose of the Scheme of Arrangement and for distributions to be made under the Scheme of Arrangement
“Associates”	:	(a) In relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his / her immediate family; (ii) the trustees of any trust of which he / she or his / her immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he / she and his / her immediate family together (directly or indirectly) have an interest of 30.0% or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
“Audit Committee”	:	The audit committee of the Company, comprising Mr. Tan Tiong Huat Alex, Mr. Chew Thiam Keng and Mr. Owyong Thian Soo as at the Latest Practicable Date
“Bank”	:	Third-party financial institution of the Group
“Bank Loan Purchase”	:	CMIL’s purchase of the Group’s Original Outstanding Amounts under the Original Loan Agreements from the Bank to the Group
“Bank Loan Restructuring”	:	The creation of a fresh debt obligation of the Company which may be fully or partially convertible by the Subscriber into new Shares, in consideration for the Subscriber procuring: (a) a full discharge of all liabilities and debts owing by the Sri Lanka Sub-Group to the Bank; and (b) the Bank’s consent to discharge any and all mortgage, charge, pledge, lien or other security interest securing any obligation of the Sri Lanka Sub-Group for the benefit of the Bank
“Bilateral Cash Settlement”	:	Has the meaning ascribed to it in section 3.2.1(a) of this Circular
“Bilateral First Settlement”	:	Has the meaning ascribed to it in section 3.2.1(b) of this Circular
“Bilateral Settlement”	:	The settlement arrangements of the Company’s obligations and liabilities to REPS Holders which comprise a combination of cash and Settlement Shares
“Bilateral Settlement Deed”	:	The deed entered into among the Company, CESH SG and the REPS Holders on 6 June 2023 in relation to the Bilateral Settlement, as amended and restated by a deed entered into among the Company, CESH SG, CESY and the REPS Holders on 13 August 2024

DEFINITIONS

“Bilateral Settlement Shares”	:	New Shares to be allotted and issued by the Company at the issue price of S\$0.0000766 ¹ per Bilateral Settlement Share to the REPS Holders in accordance with the terms and conditions of the Bilateral Settlement Deed
“Bilateral Share Settlement”	:	Has the meaning ascribed to it in section 3.2.1(b) of this Circular
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Business Day”	:	Any day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST is open for trading
“Catalist”	:	The Catalist of the SGX-ST
“Catalist Rules”	:	Section B: Rules of Catalist of the SGX-ST Listing Manual, as amended, modified or supplemented from time to time
“Category A Scheme Creditors”	:	Has the meaning ascribed to it in section 3.3.3(a) of this Circular
“Category B Scheme Creditors”	:	Has the meaning ascribed to it in section 3.3.3(b) of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“CESH SG”	:	CES Hydro Power Group Pte. Ltd., a wholly owned subsidiary of the Company as at the Latest Practicable Date
“CESH SL”	:	CES Hydro Power (SL) Limited, a wholly owned subsidiary of the Company as at the Latest Practicable Date
“CESY”	:	CES Yichang Pte. Ltd., a wholly owned subsidiary of the Company as at the Latest Practicable Date
“CESY Trust Deed”	:	The trust deed entered into by CESY on 18 September 2024 in favour of the Category A Scheme Creditors and REPS Holders for the distribution arrangements of the Yichang Proceeds
“Circular”	:	This circular to Shareholders dated 20 May 2025
“CMIL”	:	Cosmic Marvel International Limited, a wholly owned subsidiary of the Subscriber as at the Latest Practicable Date
“CLA Effective Date”	:	Has the meaning ascribed to it in section 2.6.2 (<i>Principal terms of the Convertible Loan Agreement</i>) of this Circular
“CLA Maturity Date”	:	Has the meaning ascribed to it in section 2.6.2 (<i>Principal terms of the Convertible Loan Agreement</i>) of this Circular
“CLA Principal Amount”	:	Has the meaning ascribed to it in section 2.6.2 (<i>Principal terms of the Convertible Loan Agreement</i>) of this Circular
“Companies Act”	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Charisma Energy Services Limited (Unique Entity Number: 199706776D), a company incorporated in Singapore with its registered address at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095
“Completion”	:	Completion of the Proposed Subscription and the Proposed Grant of Options pursuant to the CSA

¹ This issue price of Bilateral Settlement Shares to the REPS Holders is equivalent to the Subscription Price of the Subscription Shares, as stated in the Bilateral Settlement Deed.

DEFINITIONS

“Completion AP”	:	The estimated cash liabilities of the Group (less the Sri Lanka Sub-Group) net of cash balance from 1 July 2022 to the Completion Date. For clarification, Completion AP largely comprises outstanding fee payments due to directors and various professionals for their services rendered to the Group
“Completion Date”	:	The date on which Completion takes place which shall be no later than seven (7) Business Days from the date on which all of the conditions precedent under the CSA have been satisfied (or otherwise waived)
“Consolidated Enlarged Share Capital”	:	The enlarged share capital of the Company (excluding any Shares held in treasury) on a diluted basis of 273,188,988 Shares pursuant to the completion of the: (a) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (b) Proposed Grant of Options (resulting in the grant of the Options); (c) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (d) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect); and (e) Proposed Share Consolidation, and assuming that none of the Options are exercised and there is no conversion of any principal amount of the Proposed Convertible Loan
“Consolidated Shares”	:	The consolidated ordinary shares in the capital of the Company to be held by Shareholders pursuant to the Proposed Share Consolidation
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding any Shares held in treasury and subsidiary holdings). The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Conversion Price”	:	The issue price of each Conversion Share, being S\$0.0000842
“Conversion Shares”	:	New Shares to be allotted and issued to the Subscriber pursuant to the Proposed Convertible Loan
“Convertible Loan Agreement”	:	The convertible loan agreement dated 20 December 2024 entered into between the Company, AM2, CESH SL, CMIL and the Subscriber in relation to the Proposed Convertible Loan, as supplemented by the supplemental agreement dated 19 May 2025

DEFINITIONS

“Convertible Loan Enlarged Share Capital”	: The enlarged share capital of the Company (excluding any Shares held in treasury) on a maximum and diluted basis of 588,400,142 Shares, pursuant to the completion of the: (a) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (b) Proposed Grant of Options (resulting in the grant of the Options); (c) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (d) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect); and (e) Proposed Share Consolidation, and assuming the exercise of all Options by the Subscriber (resulting in the allotment and issue of the Option Shares) and the full conversion of the principal amount of the Proposed Convertible Loan of S\$10,255,000 (resulting in the allotment and issue of the Conversion Shares)
“Court”	: The High Court of the Republic of Singapore or, where applicable on appeal, the Court of Appeal of the Republic of Singapore
“CPF”	: The Central Provident Fund
“CPF Agent Banks”	: Banks approved by CPF to be the agent banks for CPF investors
“CPF Funds”	: CPF investible savings
“CPF Investment Account”	: The investment account maintained with an approved CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
“CPFIS”	: CPF Investment Scheme
“CPFIS Members”	: Shareholders who have previously purchased Shares using their CPF Funds under their CPF Investment Accounts
“CSA”	: The conditional subscription agreement dated 18 January 2023 entered into between the Company and the Subscriber in relation to the Proposed Subscription and the Proposed Grant of Options, as supplemented by the supplemental agreements dated 13 October 2023, 4 April 2024, 19 July 2024, 30 August 2024, 30 October 2024, 27 December 2024, 28 March 2025 and 19 May 2025
“Defaulting Party”	: Has the meaning ascribed to it in section 2.3.10 (<i>Termination</i>) of this Circular
“Director”	: A director of the Company as at the Latest Practicable Date
“Divestments”	: The divestment by the Company of (a) its 80.0% shareholding interests in Yichang; and (b) its investments in listed shares held in the capital of Alpha DX Group Limited
“EGM”	: The extraordinary general meeting of the Company to be held at 51 Cuppage Road, #03-03, Singapore 229469 on 4 June 2025 at 10:00 a.m. to seek the approval of Shareholders for the Proposals, notice of which is set out on pages N-1 to N-6 of this Circular

DEFINITIONS

“Enlarged Share Capital”	: The enlarged share capital of the Company (excluding any Shares held in treasury) on a diluted basis of 273,186,570,700 Shares pursuant to the completion of the: (a) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (b) Proposed Grant of Options (resulting in the grant of the Options); (c) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (d) the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect), but prior to the completion of the Proposed Share Consolidation and assuming that none of the Options are exercised and there is no conversion of any principal amount of the Proposed Convertible Loan
“ESOS”	: The employee share option scheme which was approved by Shareholders at an extraordinary general meeting of the Company held on 24 April 2013 (which has since expired). For the avoidance of doubt, notwithstanding the expiry of the ESOS, there are 92,500,000 outstanding share options under the ESOS, which will be adjusted in accordance with the terms and conditions of the ESOS for the completion of the Proposals
“Exercise Date”	: Has the meaning ascribed to it in section 2.5.2 (<i>Principal terms of the Options</i>) of this Circular
“Exercise Period”	: Has the meaning ascribed to it in section 2.5.2 (<i>Principal terms of the Options</i>) of this Circular
“Exercise Price”	: The sum payable in respect of each Option Share for which an Option Holder shall subscribe upon exercise of an Option as further set out in section 2.5.2 (<i>Principal terms of the Options</i>) and section 2.5.4 (<i>Exercise Price</i>) of this Circular
“Existing Share Capital”	: The issued share capital of the Company (excluding any Shares held in treasury) of S\$350,917,663.59, comprising 13,659,328,535 Shares, as at the Latest Practicable Date
“Existing Shares”	: The Shares held by Existing Shareholders, being 13,659,328,535 Shares at the Latest Practicable Date
“Existing Shareholders”	: The individuals holding Shares in the Company as at the Latest Practicable Date
“Expiry Date”	: Has the meaning ascribed to it in section 2.5.2 (<i>Principal terms of the Options</i>) of this Circular
“Ezion”	: Ezion Holdings Limited (In Liquidation), a Controlling Shareholder of the Company
“Financial Conditions”	: Has the meaning ascribed to it in section 2.3.6 (<i>Financial Conditions</i>) of this Circular
“FY”	: Financial year ended or ending on 31 December, as the case may be
“Group”	: The Company and its subsidiaries
“IFA”	: Xandar Capital Pte Ltd, the independent financial adviser to the Independent Directors in respect of the Proposed Issue of Settlement Shares to Interested Persons and the Proposed Whitewash Resolution

DEFINITIONS

“IFA Letter”	:	The letter dated 20 May 2025 from the IFA to the Independent Directors in relation to the Proposed Issue of Settlement Shares to Interested Persons and the Proposed Whitewash Resolution
“Independent Directors”	:	The Directors who are considered independent for the purposes of making a recommendation to the Shareholders as at the Latest Practicable Date: (a) being Mr. Owyong Thian Soo and Mr. Tan Tiong Huat Alex, for the Proposed Issue of Settlement Shares to Interested Persons; and (b) being Mr. Chew, Mr. Owyong Thian Soo and Mr. Tan Tiong Huat Alex, for the Proposed Whitewash Resolution
“Independent Shareholders”	:	The Shareholders who are deemed to be independent for the purposes of voting at the EGM for the following Proposals (as the case may be): (a) Proposed Issue of Settlement Shares to Ezion, being the Shareholders other than Ezion and its Associates; (b) Proposed Issue of Settlement Shares to Mr. Chew, being Shareholders other than Mr. Chew and his Associates; (c) Proposed Issue of Settlement Shares to Mr. PT, being the Shareholders other than Mr. PT and his Associates; or (d) Proposed Whitewash Resolution, being Shareholders other than (i) the Subscriber and parties acting in concert with it; and (ii) parties not independent of the Subscriber and parties acting in concert with it
“Initial Announcement Date”	:	Has the meaning as ascribed to it in section 5.2(d)(i) of this Circular
“Inter-conditional Resolutions”	:	Ordinary Resolutions 1 to 4, 8 to 10, relating to the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution and the Proposed Share Consolidation
“IRDA”	:	Insolvency, Restructuring and Dissolution Act 2018 of Singapore, as amended, modified or supplemented from time to time
“Latest Practicable Date”	:	19 May 2025, being the latest practicable date prior to the issue of this Circular
“Longstop Date”	:	2 August 2025, or such later date as may be mutually agreed between the Company and the Subscriber
“L&L Transaction”	:	Has the meaning ascribed to it in section 2.1 (<i>Information on the Subscriber</i>) of this Circular
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Mr. Chew”	:	Mr. Chew Thiam Keng, a Director of the Company
“Mr. Elson Yin”	:	Mr. Elson Yin Fook Cheong
“Mr. Patrick Tay”	:	Mr. Patrick Tay Piak Juay
“Mr. PT”	:	Mr. Patrick Tan Choon Hock
“New Share Certificates”	:	Physical share certificates to be issued in replacement of the Old Share Certificates in respect of the Consolidated Shares

DEFINITIONS

“Non-Defaulting Party”	:	Has the meaning ascribed to it in section 2.3.10 (<i>Termination</i>) of this Circular
“Notice of EGM”	:	The notice of EGM which is set out on pages N-1 to N-6 of this Circular
“NTA” or “NTL”	:	Net tangible assets or net tangible liabilities, as the case may be
“Old Share Certificates”	:	Has the meaning ascribed to it in section 7.4.2 (<i>Deposit of share certificates with CDP</i>) of this Circular
“Option Amount”	:	The principal amount of the Options to be subscribed for by the Subscriber, being S\$16,291,200
“Option Holder”	:	The holder of any of the Options
“Option Price”	:	The exercise price of S\$0.0000842 for each Option Share as at the Latest Practicable Date
“Option Shares”	:	New Shares to be allotted and issued by the Company credited as fully paid upon the exercise of the Options, including, where the context admits, such new Shares arising from the exercise of the additional options as may be required or permitted to be issued in accordance with the provisions of the CSA
“Options”	:	Unlisted and freely transferable share options to be granted to the Subscriber for a nominal aggregate consideration of S\$1.00, with each Option carrying the right to subscribe for one (1) new Share at the Exercise Price
“Options Enlarged Share Capital”	:	The enlarged share capital of the Company (excluding any Shares held in treasury) on a maximum and diluted basis of 466,606,792 Shares, pursuant to the completion of the: (a) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (b) Proposed Grant of Options (resulting in the grant of the Options); (c) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (d) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect); and (e) Proposed Share Consolidation, and assuming the exercise of all Options by the Subscriber (resulting in the allotment and issue of the Option Shares) but there is no conversion of any principal amount of the Proposed Convertible Loan
“Original Borrowers”	:	The borrowers under the Original Loan Agreements, being AM2 and CESH SL
“Original Loan Agreements”	:	The facility agreement dated 19 August 2014 entered into by CESH SL as varied by a variation agreement dated 27 November 2019 and the facility agreement dated 5 January 2015 entered into by AM2
“Original Outstanding Amounts”	:	The total outstanding principal amounts, accrued interest and default interest under the Original Loan Agreements

DEFINITIONS

“PERPS”	:	The S\$9,000,000 in principal amount of the five per cent. (5.0%) convertible perpetual capital securities issued by the Company which were convertible into 360,000,000 new Shares (on the assumption that there is no adjustment to the exchange price and that the distribution preference dividend is not exchangeable), based on the terms and conditions of the PERPS under the placement agreement dated 1 March 2013
“PERPS Holders”	:	The holders of any of the PERPS
“Pre-Approved Transaction Expenses”	:	The list of Transaction Expenses with payment milestones which is subject to the prior written approval from the Subscriber
“Pre-EGM Reply”	:	Has the meaning ascribed to it in section 13.1 (Questions) of this Circular
“Proposals”	:	The Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Issue of Settlement Shares to Ezion, the Proposed Issue of Settlement Shares to Mr. Chew, the Proposed Issue of Settlement Shares to Mr. PT, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution and the Proposed Share Consolidation
“Proposed Convertible Loan”	:	The convertible loan of a principal amount of <u>up to</u> S\$10,255,000, with such principal amount convertible into Conversion Shares by the Subscriber
“Proposed Debt Restructuring”	:	The debt restructuring exercise (including the Bilateral Settlement and the Scheme of Arrangement (as modified by the Supplementary Scheme) undertaken to restructure the debts and liabilities owing by the Group to its creditors, via partial settlement in cash and partial settlement through the allotment and issue of the Settlement Shares
“Proposed Debt Restructuring Announcements”	:	Has the meaning ascribed to it in section 1.3 (<i>The Proposed Debt Restructuring</i>) of this Circular
“Proposed Grant of Options”	:	The proposed grant by the Company to the Subscriber in principal Option Amount of S\$16,291,200 unlisted and freely transferable Options, with each Option carrying the right to subscribe for one (1) new ordinary Share
“Proposed Issue of Settlement Shares”	:	The proposed allotment and issue of Settlement Shares to (a) the REPS Holders in accordance with the Bilateral Settlement; and (b) the Scheme Creditors with Approved Scheme Claims in accordance with the Scheme of Arrangement
“Proposed Issue of Settlement Shares to Ezion”	:	The proposed allotment and issue of Settlement Shares to Ezion in accordance with the Scheme of Arrangement
“Proposed Issue of Settlement Shares to Interested Persons”	:	The Proposed Issue of Settlement Shares to Ezion and the Proposed Issue of Settlement Shares to Mr. Chew
“Proposed Issue of Settlement Shares to Mr. Chew”	:	The proposed allotment and issue of Settlement Shares to Mr. Chew in accordance with the Scheme of Arrangement
“Proposed Issue of Settlement Shares to Mr. PT”	:	The proposed allotment and issue of Settlement Shares to Mr. PT in accordance with the Scheme of Arrangement
“Proposed Share Consolidation”	:	The proposed consolidation of every 1,000 Shares held by Shareholders as at the Share Consolidation Record Date into one (1) Consolidated Share, with any fractional entitlements to be rounded up to the nearest whole Consolidated Share

DEFINITIONS

“Proposed Subscriber Transactions”	:	The Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan
“Proposed Subscriber Transactions Announcements”	:	Has the meaning ascribed to it in section 1.2 (<i>The Proposed Subscriber Transactions</i>) of this Circular
“Proposed Subscription”	:	The proposed allotment and issue of 177,298,084,384 Subscription Shares to the Subscriber at the Subscription Price of S\$0.0000766 for each Subscription Share, for the Subscription Amount of S\$13,576,000
“Proposed Transfer of Controlling Interest”	:	The transfer of controlling interest in the Company to the Subscriber arising from the completion of the Proposed Subscriber Transactions
“Proposed Whitewash Resolution”	:	The proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from the Subscriber in connection with the allotment and issue of the Subscription Shares, as set out in the Notice of EGM
“Register of Members”	:	Register of members of the Company
“Relevant Intermediary”	:	Has the meaning ascribed to it in Section 181 of the Companies Act
“Remaining Assets”	:	The Sri Lanka Sub-Group, together with their receivables, cash and inventories, including the 13 units of mini-hydroelectric power plants in Sri Lanka with a combined capacity of 43.46 megawatt
“REPS”	:	7,299,270 outstanding redeemable exchangeable preference shares issued by CESH SG which were exchangeable into 523,620,521 new Shares (on the assumption that there is no adjustment to the exchange price and that the distribution preference dividend is not exchangeable), based on the terms and conditions of the subscription agreement entered into on 3 August 2015 among CESH SG, the Company and the REPS Holders
“REPS Holders”	:	The holders of any of the REPS, being Venstar Investments III Ltd (in Members’ Voluntary Liquidation) and Evia Growth Opportunities III Ltd (in Members’ Voluntary Liquidation)
“Resumption Conditions”	:	Has the meaning as ascribed to it in section 1.7 (<i>Application to the SGX-ST</i>) of this Circular
“Resumption Proposal”	:	The applications submitted by the Company to the SGX-ST on 10 November 2023 and 1 October 2024 which took into consideration, among others, the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Share Consolidation, for the resumption of trading of the Shares on the Catalist of the SGX-ST
“RSM”	:	RSM SG Corporate Advisory Pte. Ltd.
“Scheme Creditors”	:	The Company’s creditors which hold claims against the Company but excluding excluded creditors as further described under the scheme document for the Scheme of Arrangement, details of which are set out in Appendix C (<i>Details of Creditors</i>) to this Circular
“Scheme Debt”	:	Has the meaning as ascribed to it in section 3.1 (<i>Background to, rationale for and benefits of the Proposed Debt Restructuring</i>) of this Circular

DEFINITIONS

“Scheme Effective Date”	:	The date on which the Scheme of Arrangement is to be implemented following the fulfilment of the conditions precedent listed in the Scheme of Arrangement. The date of completion of the last conditions precedent shall be the date of the Scheme Effective Date
“Scheme Managers”	:	Messrs Lin Yueh Hung and Yap Hui Li, c/o RSM, or any other person appointed in accordance with the Scheme of Arrangement and the Supplementary Scheme
“Scheme Meeting”	:	A meeting of the Scheme Creditors convened under Section 210 of the Companies Act for the purpose of voting on the Scheme of Arrangement
“Scheme of Arrangement”	:	The scheme of arrangement entered into by the Company with the Scheme Creditors on 12 April 2023 to compromise certain of its debts and liabilities owed to such Scheme Creditors, in accordance with Section 210 of the Companies Act, including and incorporating all such amendments, additions and variations thereto as may be required, as approved by the Court on 7 July 2023 and as modified by the Supplementary Scheme
“Scheme Shares”	:	New Shares to be allotted and issued by the Company at the issue price of S\$0.0000766 per Scheme Share to the Scheme Creditors with Approved Scheme Claims in accordance with the terms and conditions of the Scheme of Arrangement
“Scheme Tranche 1 Cash”	:	Has the meaning as ascribed to it in section 3.3.1(d) of this Circular
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“Service Provider”	:	Stone Forest Accountserve Pte Ltd
“Settlement Shares”	:	The Bilateral Settlement Shares and the Scheme Shares
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNet”	:	A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
“Share Consolidation Effective Trading Date”	:	The date to be determined by the Directors as being the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will trade on the Catalist of the SGX-ST in board lots of 100 Consolidated Shares
“Share Consolidation Record Date”	:	The date to be determined by the Directors as being the date at and on which, subject to the approval of Shareholders for the Proposed Share Consolidation being obtained at the EGM, the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
“Shareholders”	:	The registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
“Share Registrar” or “Share Transfer Agent”	:	Tricor Barbinder Share Registration Services, the registered office of which is at 9 Raffles Place #26-01, Republic Plaza, Singapore 048619
“Shares”	:	Ordinary shares in the capital of the Company

DEFINITIONS

“SIC”	: Securities Industry Council of Singapore
“Sponsor”	: PrimePartners Corporate Finance Pte. Ltd.
“Sri Lanka Sub-Group”	: The holding entities of the operations in Sri Lanka and the operating companies in Sri Lanka, namely the following entities: CES Green Power S.A. Pte Ltd, Saems Capital II B.V., Blue Maven Asia Energy (Private) Limited, WKV Hydro Technics (Private) Limited, Falcon Valley Hydro (Private) Limited, Hynford Water Power (Private) Limited, Upcountry Power Supply International (Private) Limited, Thannewatha Mini Hydro Power Holdings (Private) Limited, CESH SG and CESH SL
“SRS”	: Supplementary Retirement Scheme
“SRS Investors”	: Investors who have previously purchased Shares under the SRS
“SRS Operators”	: Agent banks approved by CPF under the SRS
“Subscriber”	: Yin Khing Investments Limited
“Subscriber’s Fault”	: Save as provided for as a force majeure event in the CSA, the Subscriber is considered to be at fault if the Subscriber fails and/or refuses to effect Completion in the event where the Company has fully completed the requirements in section 2.3.5 (<i>Conditions precedent</i>) of this Circular and the Financial Conditions set out in section 2.3.6 (<i>Financial Conditions</i>) of this Circular
“Subscription Amount”	: The aggregate amount of S\$13,576,000
“Subscription Price”	: The issue price of S\$0.0000766 for each Subscription Share
“Subscription Shares”	: New Shares to be allotted and issued by the Company at the issue price of S\$0.0000766 per Subscription Share pursuant to the Proposed Subscription
“Substantial Shareholder”	: A person who has an interest or interests in voting shares of the Company representing not less than 5.0% of all the voting shares of the Company, as defined under Section 81 of the Companies Act
“Supplementary Scheme”	: The pre-packaged supplementary scheme of arrangement dated 26 July 2024 proposed by the Company and CESY to the Category A Scheme Creditors pursuant to Section 71 of the IRDA in respect of the new distribution arrangements for the 85.0% of the Yichang Proceeds, as approved by the Court on 26 September 2024
“Takeover Code”	: Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Transaction Expenses”	: The professional fees in relation to the Proposed Subscription and Proposed Grant of Options and the Proposed Debt Restructuring (including the Proposed Issue of Settlement Shares), which shall include but not be limited to the professional fees for the (a) preparation of the definitive documentation, such as the CSA; (b) application to SIC for the Whitewash Waiver; (c) fees for the IFA; (d) preparation of this Circular; (e) preparation of the Resumption Proposal which would include the engagement of the auditors to review the cash flow projections and pro forma financial statements; and (f) the Proposed Debt Restructuring
“Upfront Amount”	: S\$339,400 (Singapore dollar equivalent of US\$250,000)
“Upfront Amount Account”	: A bank account held by the Service Provider for the purposes of retaining the Upfront Amount
“VWAP”	: Volume weighted average price

DEFINITIONS

“Whitewash Waiver”	:	Has the meaning as ascribed to it in section 5.2 (<i>Whitewash Waiver</i>) of this Circular
“Yichang”	:	Yichang Smartpower Green Electricity Co. Ltd.
“Yichang Divestment”	:	The divestment of the Company’s 80.0% equity interests in Yichang to a third-party purchaser, which was completed on 19 September 2024
“Yichang Proceeds”	:	The sale proceeds (net of expenses) from the Yichang Divestment, of which 85.0% will be distributed to the Category A Scheme Creditors and 15.0% will be distributed to the REPS Holders in accordance with the arrangements set out in the CESY Trust Deed

Currencies, Units and Others

“%” or “per cent.”	:	Per centum or percentage
“S\$” and “cents”	:	Singapore dollar and cents, respectively, the lawful currency of the Republic of Singapore
“RMB”	:	<i>Renminbi</i> , the lawful currency of the People’s Republic of China
“USD” or “US\$” and “US cents”	:	United States dollar and cents, respectively, the lawful currency of the United States of America

The terms **“Depositor”**, **“Depository”**, and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms **“subsidiaries”** and **“related corporations”** shall have the meanings ascribed to them respectively in the Companies Act.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any discrepancies in figures included in this Circular between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise specified, the agreed exchange rates of US\$1.00:S\$1.3576 and RMB5.38:S\$1.00 have been used for the purposes of this Circular.

The legal advisers appointed by the Company for the purpose of this Circular is Morgan Lewis Stamford LLC.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company's current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group.

No person has been authorised to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. Nothing contained in this Circular is, or may be relied upon as, a promise or representation as to the future performance, financial position or policies of the Company and/or the Group. The delivery of this Circular shall not, under any circumstance, constitute a continuing representation or give rise to any implication or suggestion that there has not been or there will not be any change in the affairs of the Company and/or the Group or in the information herein since the Latest Practicable Date. Where any such changes occur after the Latest Practicable Date, the Company may make an announcement of the same on SGXNet. Shareholders should take note of any such announcement and shall, upon the release of such an announcement, be deemed to have notice of such changes.

The distribution of this, and other relevant documents, may be prohibited or restricted by law in certain jurisdictions. Shareholders are required to inform themselves of and to observe any such prohibitions and restrictions. It is the responsibility of the Shareholders in such jurisdictions to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any government, exchange control or other consents which may be required, the compliance with all necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.

Where the Company is of the view that the distribution of this Circular and/or any other relevant document to any Shareholder in any jurisdiction(s) may infringe any relevant foreign law or necessitate compliance with conditions or requirements which the Company regards as onerous or impracticable by reason of costs, delay or otherwise, the Company will not distribute this Circular and other relevant documents to Shareholders with registered addresses in such jurisdiction(s).

This Circular and/or any other related documents may not be used for the purposes of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

Shareholders are advised to consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately if they are in any doubt as to any aspect of the transactions contemplated under this Circular. It is emphasised that none of the Company or any other persons involved in the transactions contemplated under this Circular accepts responsibility for any tax effects of, or such liabilities resulting therefrom.

LETTER TO SHAREHOLDERS

CHARISMA ENERGY SERVICES LIMITED

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration Number: 1999706776D)

Directors:

Mr. Chew Thiam Keng

(Non-Executive Director and Non-Executive Chairman)

Mr. Owyong Thian Soo

(Independent and Non-Executive Director)

Mr. Tan Tiong Huat Alex

(Independent and Non-Executive Director)

20 May 2025

Registered Office:

8 Wilkie Road
#03-01 Wilkie Edge
Singapore 228095

To: The Shareholders of Charisma Energy Services Limited

Dear Sir / Madam,

- (A) THE PROPOSED SUBSCRIPTION;
- (B) THE PROPOSED GRANT OF OPTIONS;
- (C) THE PROPOSED CONVERTIBLE LOAN;
- (D) THE PROPOSED ISSUE OF SETTLEMENT SHARES;
- (E) THE PROPOSED ISSUE OF SETTLEMENT SHARES TO EZION;
- (F) THE PROPOSED ISSUE OF SETTLEMENT SHARES TO MR. CHEW;
- (G) THE PROPOSED ISSUE OF SETTLEMENT SHARES TO MR. PT;
- (H) THE PROPOSED TRANSFER OF CONTROLLING INTEREST;
- (I) THE PROPOSED WHITEWASH RESOLUTION; AND
- (J) THE PROPOSED SHARE CONSOLIDATION.

1. INTRODUCTION

1.1 Purpose of this Circular

The Company is convening an EGM at 51 Cuppage Road, #03-03, Singapore 229469 on 4 June 2025 at 10:00 a.m. to seek Shareholders' approval for the following (collectively, the "**Proposals**"):

- (a) the Proposed Subscription (Ordinary Resolution 1);
- (b) the Proposed Grant of Options (Ordinary Resolution 2);
- (c) the Proposed Convertible Loan (Ordinary Resolution 3);
- (d) the Proposed Issue of Settlement Shares (Ordinary Resolution 4);
- (e) the Proposed Issue of Settlement Shares to Ezion (Ordinary Resolution 5);

LETTER TO SHAREHOLDERS

- (f) the Proposed Issue of Settlement Shares to Mr. Chew (Ordinary Resolution 6);
- (g) the Proposed Issue of Settlement Shares to Mr. PT (Ordinary Resolution 7);
- (h) the Proposed Transfer of Controlling Interest (Ordinary Resolution 8);
- (i) the Proposed Whitewash Resolution (Ordinary Resolution 9); and
- (j) the Proposed Share Consolidation (Ordinary Resolution 10).

The purpose of this Circular is to provide Shareholders with information relating to the Proposals, and to seek Shareholders' approval in relation thereto at the EGM. The Notice of EGM is set out on pages N-1 to N-6 of this Circular.

1.2 The Proposed Subscriber Transactions

The Company had entered into the CSA with the Subscriber in respect of:

- (a) the Proposed Subscription by the Subscriber of Subscription Shares amounting to the Subscription Amount of S\$13,576,000, on the terms and conditions of the CSA; and
- (b) the Proposed Grant of Options by the Company where the Subscriber will be granted Options with the Option Amount of S\$16,291,200, with each Option carrying the right to subscribe for one (1) Option Share, on the terms and conditions of the CSA.

Separately, on 20 December 2024, the Company announced that the Company, AM2 and CESH SL had entered into the Convertible Loan Agreement with CMIL and the Subscriber for the provision of the Proposed Convertible Loan of an aggregate principal amount of up to S\$ 10,255,000 by CMIL, with the principal amount under the Convertible Loan Agreement convertible into the Conversion Shares on the terms and conditions of Convertible Loan Agreement.

To proceed with the Proposed Subscriber Transactions, specific approvals from Shareholders are being sought at the EGM. Please refer to sections 2.4 (*The Proposed Subscription*), 2.5 (*The Proposed Grant of Options*) and 2.6 (*The Proposed Convertible Loan*) of this Circular for further details on the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan, respectively. Please also refer to the Company's announcements dated 13 October 2023, 31 March 2024, 4 April 2024, 22 July 2024, 30 August 2024, 30 October 2024, 20 December 2024, 27 December 2024, 28 March 2025 and 19 May 2025 (the "**Proposed Subscriber Transactions Announcements**").

1.3 The Proposed Debt Restructuring

Together with the Proposed Subscriber Transactions, the Company is undertaking a debt restructuring exercise to restructure the debts and liabilities owing by the Group to certain of its creditors, including the REPS Holders and the PERPS Holders.

In relation to the Proposed Debt Restructuring, the Company has entered into:

- (a) the Scheme of Arrangement with the Scheme Creditors to compromise certain of its debts and liabilities owed to such Scheme Creditors. Pursuant to the terms of the Scheme of Arrangement, the Company's debts and liabilities owing to the Scheme Creditors shall be compromised and the Scheme Creditors with Approved Scheme Claims shall be entitled to:
 - (i) for only Category A Scheme Creditors with Approved Scheme Claims, the distribution of cash in two (2) tranches, the first tranche being approximately S\$1.15 million and the second tranche being 85.0% of the Yichang Proceeds; and

LETTER TO SHAREHOLDERS

- (ii) for both classes of Scheme Creditors with Approved Scheme Claims, the allotment and issue of the Settlement Shares to the Scheme Creditors in connection with the debt-to-equity conversion of a portion of Category A Scheme Creditors' Scheme Debts and the entirety of Category B Scheme Creditors' Scheme Debts, up to 71,574,881,524 Scheme Shares.

Subsequently, the Company entered into the Supplementary Scheme among the Company, CESY and the Category A Scheme Creditors in respect of the new distribution arrangements for the 85.0% of the Yichang Proceeds due to the Category A Scheme Creditors, such proceeds to be distributed in accordance with the terms and conditions of the CESY Trust Deed; and

- (b) the Bilateral Settlement Deed for the debts and liabilities of the Group owing to the REPS Holders. Pursuant to the terms and conditions of the Bilateral Settlement Deed, the debts and liabilities of the Group owing to the REPS Holders shall be extinguished upon the REPS Holders being paid S\$203,640 in cash and issued an aggregate number of 10,654,276,257 Bilateral Settlement Shares. Further, 15.0% of Yichang Proceeds from the Yichang Divestment, shall be distributed to the REPS Holders in accordance with the terms and conditions of the CESY Trust Deed.

To proceed with the Proposed Debt Restructuring, the Company is seeking approval from the Shareholders for the allotment and issue of up to 82,229,157,781 Settlement Shares (comprising 10,654,276,257 Bilateral Settlement Shares and 71,574,881,524 Scheme Shares) pursuant to Catalist Rule 805(1). Please refer to section 3 (*The Proposed Debt Restructuring*) of this Circular for further details on the Proposed Debt Restructuring. Please also refer to the Company's announcements dated 18 February 2023, 12 April 2023, 8 June 2023, 9 June 2023, 19 June 2023, 22 June 2023, 7 July 2023, 28 July 2024, 13 August 2024, 14 August 2024, 3 September 2024, 6 September 2024 and 26 September 2024 (the "**Proposed Debt Restructuring Announcements**").

Additionally, specific approvals from the relevant Independent Shareholders are also being sought at the EGM for:

- (1) the allotment and issue of the Settlement Shares to Ezion (a Controlling Shareholder), pursuant to Catalist Rules 812(1) and Chapter 9 of the Catalist Rules;
- (2) the allotment and issue of the Settlement Shares to Mr. Chew (a Director) pursuant to Catalist Rules 804, 812(1) and Chapter 9 of the Catalist Rules; and
- (3) the allotment and issue of the Settlement Shares to Mr. PT (a Substantial Shareholder), pursuant to Catalist Rule 812(1).

1.4 The Proposed Transfer of Controlling Interest to the Subscriber

As a result of the Proposed Subscriber Transactions and upon the allotment and issue of the Subscription Shares, the Subscriber will become a Controlling Shareholder.

Pursuant to Catalist Rule 803, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in a general meeting. Accordingly, the Company is seeking specific Shareholders' approval at the EGM for the transfer of controlling interest in the Company to the Subscriber pursuant to the Proposed Subscriber Transactions.

Please refer to section 4 (*The Proposed Transfer of Controlling Interest*) of this Circular for further details on the Proposed Transfer of Controlling Interest.

1.5 The Proposed Whitewash Resolution

Upon the allotment and issue of the Subscription Shares, the Subscriber will incur an obligation to make a mandatory general offer for the Shares under Rule 14 of the Takeover Code unless such obligation is waived by the SIC. The Whitewash Waiver was obtained from the SIC on 2 May 2025 and is subject to, among others, the Proposed Whitewash Resolution being approved by the Independent Shareholders at the EGM.

LETTER TO SHAREHOLDERS

Accordingly, the Company is seeking the approval of Independent Shareholders for the Proposed Whitewash Resolution at the EGM. Please refer to section 5 (*The Proposed Whitewash Resolution*) of this Circular for further details on the Proposed Whitewash Resolution.

1.6 The Proposed Share Consolidation

In conjunction with the transactions listed above, the Company is also seeking approval from the Shareholders at the EGM for the proposed consolidation of every 1,000 Shares held by Shareholders as at the Share Consolidation Record Date into one (1) Consolidated Share, with any fractional entitlements to be rounded up to the nearest whole Consolidated Share. The Proposed Share Consolidation is intended to take place immediately upon the completion of the Proposed Subscriber Transactions and the Proposed Issue of Settlement Shares.

Please refer to section 7 (*The Proposed Share Consolidation*) of this Circular for further details on the Proposed Share Consolidation.

1.7 Application to the SGX-ST

In connection with the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Share Consolidation, the Company had submitted a Resumption Proposal through its Sponsor to the SGX-ST for the resumption of trading of the Shares on the Catalist, on 10 November 2023, which was subsequently updated on 1 October 2024.

On 9 December 2024, the Company, through its Sponsor, received a letter from the SGX-ST confirming that it has no objection to the Company's updated Resumption Proposal submitted on 1 October 2024, subject to the following:

- (a) the Company obtaining Shareholders' approval at an extraordinary general meeting for the CSA with the Subscriber and the Whitewash Waiver from the SIC;
- (b) the Subscriber entering into the Proposed Convertible Loan in compliance with the Catalist Rules; and
- (c) the Company making regular updates on SGXNet on its progress in meeting these key milestones,

collectively, the "**Resumption Conditions**". The decision of the SGX-ST will not be effective if any of the Resumption Conditions has not been fulfilled. For the avoidance of doubt, the Company is required to seek separate concurrence from the SGX-ST on the date for the resumption of trading when all Resumption Conditions have been fulfilled.

Separately, an additional listing application will be made through the Sponsor, to SGX-ST for permission for the listing and quotation of the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares and the Consolidated Shares on the Catalist of the SGX-ST. The listing and quotation notice for the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares and the Consolidated Shares, if issued by SGX-ST, is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Share Consolidation, the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares, the Consolidated Shares, the Company and/or its subsidiaries.

1.8 Conditionality of resolutions

Shareholders should note that Ordinary Resolutions 1 to 4, 8 to 10 are conditional upon the passing of each other.

The Inter-conditional Resolutions are inter-conditional for the following reasons:

LETTER TO SHAREHOLDERS

- (a) without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not have sufficient working capital to operate as a going concern or have a viable proposal for its Resumption Proposal;
- (b) the approval to be obtained for the Proposed Issue of Settlement Shares is a condition precedent to the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan and the Proposed Debt Restructuring;
- (c) the Proposed Transfer of Controlling Interest and the Proposed Whitewash Resolution is required as a consequence of the allotment and issue of Subscription Shares to the Subscriber under the Proposed Subscription;
- (d) the Proposed Share Consolidation will facilitate the resumption of trading of the Shares following Completion given that the minimum trading price on the Catalist of the SGX-ST is S\$0.001; and
- (e) all of the above transactions are necessary for the purposes of the Resumption Proposal and the receipt of a no-objection letter from the SGX-ST for the Resumption Proposal is a condition precedent.

Further, Shareholders should also note that Ordinary Resolutions 5, 6 and 7 are conditional on the Inter-conditional Resolutions as approval is required for the Proposed Issue of Settlement Shares as the Ordinary Resolution for the Proposed Issue of Settlement Shares is required to be passed for the Settlement Shares to be able to be allotted and issued to Ezion, Mr. Chew and Mr. PT and the Ordinary Resolution for the Proposed Issue of Settlement Shares is one of the Inter-conditional Resolutions.

Accordingly, this means that if any of the Inter-conditional Resolutions relating to the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution or the Proposed Share Consolidation is not approved by Shareholders at the EGM, none of the Proposals will be passed.

2. THE PROPOSED SUBSCRIBER TRANSACTIONS

2.1 Information on the Subscriber

As at the Latest Practicable Date, the Subscriber is a company duly incorporated and existing under the laws of the Republic of Seychelles and having its registered office at Vistra Corporate Services Centre, Suite 23, 1st Floor, Eden Plaza, Eden Island, Mahe, Republic of Seychelles. The Subscriber is jointly owned by Mr. Patrick Tay and Mr. Elson Yin with equal shareholding. The director of the Subscriber is Mr Patrick Tay.

The Subscriber is principally engaged in the business of infrastructure development in Singapore, Vietnam, the People's Republic of China and South Asia. The founder and sole director of the Subscriber, Mr. Patrick Tay, has acquired the domain knowledge in engineering, procurement, and construction of energy infrastructure projects. Mr. Elson Yin is a private investor. The Subscriber also has experience operating in frontier countries such as Sri Lanka.

As part of the Company's restructuring exercise, RSM was engaged in March 2018 to assist the Company and was instructed by the Company to reach out to potential investor(s) and to facilitate discussions between interested parties and the Company. The Subscriber was one of the parties that RSM reached out to and was accordingly introduced to the Company.

As at the Latest Practicable Date, none of the Subscriber, its directors or shareholders (a) holds any Shares; or (b) is related to any of the Directors, Substantial Shareholders, or their respective Associates. There is also no connection (including business relationship) between any of the Subscriber, directors or their shareholders (where applicable) and the Directors or Substantial Shareholders of the Company. For completeness, the

LETTER TO SHAREHOLDERS

Subscriber had engaged Lee & Lee for a real estate transaction around February 2025, with estimated legal fees of around S\$50,000 (the “**the L&L Transaction**”). Mr. Owyong Thian Soo, an Independent and Non-Executive Director of the Company, is the Head of the Real Estate & Property Department of Lee & Lee. Mr. Owyong Thian Soo is not the partner handling the L&L Transaction and the L&L Transaction is handled by another senior partner of Lee & Lee. Save for the L&L Transaction, (a) the Subscriber has had no other dealings with any of the Directors of the Company; and (b) the Subscriber has had no other transactions or engagements with Lee & Lee in the past 12 months prior to the Latest Practicable Date.

Accordingly, as at the Latest Practicable Date, the Subscriber is not a person who falls within the categories set out in Catalist Rule 812(1) nor is it an “interested person” as defined under Chapter 9 of the Catalist Rules.

The Subscriber has also confirmed with the Company that it and its ultimate beneficial shareholders do not fall within the categories of persons set out in Catalist Rules 804 or 812(1) as at the Latest Practicable Date.

2.2 Background to, rationale for and benefits of the Proposed Subscriber Transactions

As disclosed in the Company’s previous announcement on SGXNet dated 4 February 2019 in relation to the voluntary trading suspension of the Shares, the Board had recommended that the trading of the Shares be suspended on a voluntary basis until all material information could be disclosed, as it was in discussions with certain stakeholders (such as bank lenders and creditors) in relation to its financing and capitalisation structure. On 17 June 2020, following the Company’s engagement of an external consultant to review the Company’s financial position and its ability to operate as a going concern, the Company announced the Board’s opinion that the Shares should be suspended under Catalist Rule 1303(3)(c) due to uncertainties as to the Company’s ability to continue as a going concern. Reasons for this included (a) uncertainties as to the Group’s financial restructuring exercise which was still in progress; (b) uncertainties in securing legal agreements on the assets that formed part of the Group’s planned asset divestment plan (save for one of the assets); and (c) an evaluation that the Group would remain in a net liability position post execution of its asset divestment plan.

Since then, the Company had assessed various options and investment proposals (including an earlier investment announced on 10 January 2022 with the Subscriber, which had lapsed as the Subscriber and the Company’s creditors were unable to reach an agreement on the terms of the Proposed Debt Restructuring) to assist with the restructuring and recapitalisation of the Group in order to be able to resume the trading of its Shares.

After negotiations and discussions with all stakeholders, the Company then entered into various agreements and transactions for the purpose of the resumption of the trading of its Shares, including the entry into the CSA and the Convertible Loan Agreement in relation to the Proposed Subscriber Transactions and the Bilateral Settlement Deed and the Scheme of Arrangement in relation to the Proposed Debt Restructuring, all contemplated as necessary transactions for the purposes of the Resumption Proposal.

Specifically, the Proposed Subscription will result in the Group being able to reduce its liabilities (through the capitalisation of debts) and also provide the Group with the necessary funds to partially address its other outstanding liabilities and provide funding for its continued operations of the Remaining Assets. Separately, the Proposed Grant of Options will allow the Group to have access to additional funds as and when the Subscriber exercises its Options. Therefore, collectively, the proceeds from the Proposed Subscription and the Proposed Grant of Options (assuming pursuant to the exercise of the Options) will be for funding transaction costs, settlement of liabilities under the Proposed Debt Restructuring, funding of new renewable energy-related project(s) and/or working capital for the Group.

Through the Bank Loan Purchase and the Bank Loan Restructuring, CMIL became the lender of the Group under the Original Loan Agreements, of which a portion of the Original Outstanding Amounts under the Original Loan Agreements will be capitalised as agreed under the CSA, and the remaining to be owed by the Company under the Proposed Convertible Loan. The Proposed Convertible Loan therefore allows for the Group to unencumber its assets which were secured under the Original Loan Agreements and the flexibility to manage its repayment under the terms and conditions of the Convertible Loan Agreement. Under the terms and conditions of the Convertible Loan Agreement, the Company has the option to (a) prepay any principal

LETTER TO SHAREHOLDERS

amount of the Proposed Convertible Loan; (b) repay the principal amount on maturity; or (c) only on maturity, any outstanding principal amount on the maturity into Conversion Shares, which will enable the Group to manage its cash flows and allocate resources for its existing operations and expansion of business (if any). In the event of any conversion of the principal amount of the Proposed Convertible Loan resulting in the allotment and issue of the Conversion Shares, the Company will be able to improve its balance sheet position and reduce borrowings of the Group as a whole.

For further details on the Proposed Subscriber Transactions, please refer to the Proposed Subscriber Transactions Announcements.

The Directors are of the opinion that, as at the Latest Practicable Date, after taking into consideration the proceeds from the Yichang Divestment, its loan facilities and assuming the completion of the Proposed Subscription, the Proposed Grant of Options², the Proposed Convertible Loan and the Proposed Debt Restructuring, the working capital available to the Group is sufficient to meet its present requirements and that the Company will be able to operate on a going concern and therefore, have a viable proposal for the resumption of trading of its Shares.

2.3 Principal terms of the CSA

2.3.1 Upfront Amount

Under the terms and conditions of the CSA, the Subscriber made payment of and Upfront Amount of S\$339,400 (Singapore dollar equivalent of US\$250,000), which forms part of the Subscription Amount on 18 January 2023, into the Upfront Amount Account from the date of payment of the Upfront Amount up to the earlier of (a) the termination date of the CSA; or (b) the Completion Date. For the avoidance of doubt, the Upfront Amount shall form part of the Subscription Amount and the Subscription Amount payable on Completion shall be set off by the Upfront Amount. As at the Latest Practicable Date, all of the Upfront Amount has been utilised for the Transaction Expenses.

2.3.2 Payment of Subscription Amount

The Subscription Amount of S\$13,576,000 shall be satisfied by the Subscriber in the following manner: (a) the amount of S\$2,715,200 (less the Upfront Amount) shall be paid by the Subscriber to the Company in cash upon Completion; and (b) the amount of S\$10,860,800 shall be paid by way of capitalisation of a portion of the Original Outstanding Amounts under the Original Loan Agreements.

2.3.3 Details of Subscription Shares

The Subscriber will be issued and allotted 177,298,084,384 Subscription Shares, constituting the Subscription Amount of S\$13,576,000, at the Subscription Price of S\$0.0000766³ for each Subscription Share, with fractional entitlements to be disregarded, on the Completion Date.

Please refer to section 2.4 (*The Proposed Subscription*) of this Circular for further details.

2.3.4 Details of Options

The Subscriber will be granted 193,416,092,056 unlisted and freely transferable Options (as determined by dividing the Option Amount by the Option Price of S\$0.0000842⁴ per Option), with fractional entitlements to be disregarded, on the Completion Date. Each Option carries the right to subscribe for one (1) Option Share.

² For the avoidance of doubt, on the assumption that no Options have been exercised.

³ This Subscription Price of S\$0.0000766 has been rounded to three (3) significant figures for illustration purposes from the calculated price of S\$0.00007657161129012, which has been derived by dividing the Subscription Amount of S\$13,576,000 by the Subscription Shares of 177,298,084,384.86 (with fractional entitlement to be disregarded).

⁴ This Option Price of S\$0.0000842 has been rounded to three (3) significant figures for illustration purposes from the calculated price of S\$0.00008422877241913, which has been derived at a 10% premium over the Subscription Price of S\$0.00007657161129012.

LETTER TO SHAREHOLDERS

Further to condition 4.2.3 of the terms and conditions of the Options as set out in Schedule 1 of the Subscription Agreement and as extracted in **Appendix B** (*Extracts of the adjustment events under the terms and conditions of the Options*) to this Circular, the Proposed Share Consolidation will constitute an event giving rise to adjustments to the number of Options and the Exercise Price payable for each Option Share on the exercise of the Options. The adjusted number of Options to be granted to the Subscriber and the new Exercise Price following completion of the Proposed Share Consolidation will be 193,417,804 Options and S\$0.084⁵ per Option. Please refer to section 7.7 (*Adjustments to securities pursuant to the Proposed Share Consolidation*) of this Circular for further information on the computation of the adjusted number of Options and new Exercise Price pursuant to the Proposed Share Consolidation.

The Options will not be listed or quoted on any stock exchange and shall be freely transferable in accordance with the terms and conditions of the Options.

Please refer to section 2.5 (*The Proposed Grant of Options*) of this Circular for further details on the terms of the Options, including the adjustments to the number of Option Shares and the Exercise Price per Option Share pursuant to the completion of the Proposed Share Consolidation.

2.3.5 Conditions precedent

Completion shall be conditional upon the following:

- (a) the full discharge by the Bank of any and all liabilities and debts owing by the Sri Lanka Sub-Group to the Bank;
- (b) the Bank having agreed to the full discharge of any and all mortgage, charge, pledge, lien or other security interest securing any obligation of the Sri Lanka Sub-Group for the benefit of the Bank;
- (c) the creation of a fresh debt obligation to the Subscriber (the principal amount of which shall be no less than S\$10,860,800 pursuant to the CSA) in consideration for the Subscriber having procured the fulfilment of the conditions set out in sub-paragraphs (a) and (b) above pursuant to the Bank Loan Restructuring;
- (d) the fulfilment of the Financial Conditions;
- (e) the in-principle approval of the SGX-ST being obtained by the Company in relation to the listing and quotation of the Subscription Shares and the Option Shares;
- (f) the in-principle approval of SGX-ST being obtained by the Company in relation to the resumption of trading of the Shares on the SGX-ST;
- (g) the grant by the SIC (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of the Subscriber to make a mandatory general offer under Rule 14 of the Takeover Code for the Shares not held by the Subscriber following the issue of the Subscription Shares pursuant to the Proposed Subscription under the CSA, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscriber; and (ii) the Independent Shareholders approving at a general meeting of the Company the proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from the Subscriber in connection with the issue of the Subscription Shares;

LETTER TO SHAREHOLDERS

- (h) Shareholders' approval being obtained at an extraordinary general meeting of the Company to be duly convened for, among others, the Proposed Subscription, the Proposed Grant of Options, the allotment and issue of the Subscription Shares and the Option Shares (pursuant to the exercise of the Options), the transfer of controlling interest in the Company to the Subscriber, the Proposed Whitewash Resolution, the Divestments (if necessary), the Proposed Share Consolidation and the Proposed Debt Restructuring (including the allotment and issue of the Settlement Shares thereunder); and
- (i) such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the parties in respect of the transactions contemplated in the CSA and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties.

As at the Latest Practicable Date, save for sub-paragraph (e), sub-paragraph (h) to be fulfilled with the EGM and sub-paragraphs (d) and (i) which are to be fulfilled on completion, all other conditions to the Proposed Subscription and the Proposed Grant of Options have been fulfilled.

2.3.6 Financial Conditions

Upon Completion, the following financial conditions (the “**Financial Conditions**”) shall be met by the Company:

- (a) the aggregate loans and liabilities of the Sri Lanka Sub-Group excluding any debts owing to the Subscriber shall not be more than US\$2,400,000 (approximately S\$3,258,240);
- (b) the Completion AP shall not be more than US\$2,500,000 (approximately S\$3,394,000); and
- (c) the aggregate cash liabilities of the Company pursuant to the Proposed Debt Restructuring (assuming that the Yichang Divestment is completed), shall not be more than S\$1,357,600.

2.3.7 Inter-conditionality

Completion of the Proposed Subscription and Proposed Grant of Options shall be inter-conditional with the completion of the Proposed Share Consolidation, the Proposed Debt Restructuring and the Proposed Issue of Settlement Shares, such that the Financial Conditions are met.

2.3.8 Longstop Date

Pursuant to the latest supplemental agreement to the CSA, the Longstop Date is 2 August 2025, or such later date as may be mutually agreed between the Company and the Subscriber.

2.3.9 Undertakings

The Company undertakes to the Subscriber that it will, among others:

- (a) save with the written approval of the Subscriber (such approval not to be unreasonably withheld or delayed) and/or save as utilised in accordance with the CSA, retain the Upfront Amount in the Upfront Amount Account and not utilise any amounts of the Upfront Amount prior to Completion;
- (b) from the date of the CSA until Completion, save with the written approval of the Subscriber (such approval not to be unreasonably withheld or delayed), not incur or agree to incur any commitment to capital expenditure for an amount which exceeds or could exceed S\$100,000, other than in the ordinary course of business;

LETTER TO SHAREHOLDERS

- (c) utilise the Upfront Amount for payment of Transaction Expenses, provided that such utilisation shall be subject to the prior written approval of the Subscriber (such approval not to be unreasonably withheld or delayed). The Parties further agree that for the purposes of obtaining such prior written approval from the Subscriber, the Company shall provide the Subscriber with a list of Transaction Expenses with payment milestones and upon approval being obtained (the “**Pre-Approved Transaction Expenses**”), the Company shall be entitled to the utilisation of the Upfront Amount for the payment of Pre-Approved Transaction Expenses, whilst providing periodic updates to the Subscriber. In the event of any material changes to such Pre-Approved Transaction Expenses, further written approval (such approval not to be unreasonably withheld or delayed) shall be sought from the Subscriber;
- (d) utilise the remaining net proceeds from the Proposed Subscription (after deduction of the amounts which are utilised for Pre-Approved Transaction Expenses) in the following manner:
 - (i) up to S\$1,357,600 shall be used towards the satisfaction of liabilities pursuant to the Proposed Debt Restructuring; and
 - (ii) up to S\$1,018,200 (being S\$1,357,600 less the Upfront Amount) shall be used towards the working capital of the Company, which shall include but is not limited to the satisfaction of the Completion AP;
- (e) use all reasonable endeavours to procure, in accordance with the terms and conditions of the ESOS, the determination of the necessary adjustments to the exercise price in respect of the Shares comprised in any options issued under the ESOS (to the extent unexercised) and/or the class and/or number of Shares comprised in any options issued under the ESOS (to the extent unexercised), as a consequence of the Proposed Share Consolidation;
- (f) utilise the proceeds from the Divestments to pare down the existing loans, payment of related transaction costs for the Divestments and/or as partial cash settlement of the Proposed Debt Restructuring;
- (g) in the event that the Subscriber exercises the Options, to use such proceeds for new renewable energy-related project/(s) and/or working capital for the Group;
- (h) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the SGX-ST; and
- (i) for so long as it remains listed on the SGX-ST, take all necessary steps to ensure that all approvals for the issue, allotment, listing and quotation of the Subscription Shares to be issued pursuant to the Subscription and the Option Shares to be issued pursuant to the exercise of the Options, is not revoked, amended and where such approval is subject to conditions, use best endeavours to fulfil them and obtain and maintain a listing for all such Shares as and when they are issued.

2.3.10 Termination

- (a) If there shall have come to the notice of a party (the “**Non-Defaulting Party**”) of any breach of the representations, warranties and undertakings set out in the CSA by the other party (the “**Defaulting Party**”) which is not remedied (to the reasonable satisfaction of the Non-Defaulting Party) within up to thirty (30) Business Days (or such other period to be agreed between the Company and the Subscriber, as appropriate) from the receipt of a written notice by the Defaulting Party from the Non-Defaulting Party notifying of such breach, the Non-Defaulting Party may thereafter at any time prior to or on the Completion Date by notice in writing to the Defaulting Party terminate the CSA, but failure to exercise this right shall not constitute a waiver of any other rights of the Non-Defaulting Party arising out of any such breach.

LETTER TO SHAREHOLDERS

- (b) Upon such notice referred to in sub-paragraph (a) above being given and subject always to sub-paragraph (c) below, the CSA shall terminate forthwith and the parties thereto shall be released and discharged of their obligations, without prejudice to any rights in respect of any antecedent breach under the CSA or the parties' respective liability in relation to the Upfront Amount under sub-paragraph (c) below and for the payment of costs and expenses under the CSA, and the CSA shall be of no further effect and neither party hereto shall be under any liability to the other in respect of the CSA.
- (c) In the event of termination of the CSA in accordance with the CSA (including as described in this section 2.3.10 (*Termination*)) which is due to the Subscriber's Fault, the Upfront Amount (less any amounts utilised in accordance with the CSA and any fees incurred in relation to maintaining the Upfront Amount Account with the Service Provider) shall be forthwith and without delay, released from the Upfront Amount Account to the Company. In all other circumstances, the Upfront Amount (less any amounts utilised in accordance with the CSA and any fees incurred in relation to maintaining the Upfront Amount Account with the Service Provider) shall be forthwith and without delay, released from the Upfront Amount Account and returned to the Subscriber. For the avoidance of doubt, no party shall be liable to the other for any amounts of the Upfront Amount utilised in accordance with the CSA and/or any fees incurred in relation to maintaining the Upfront Amount Account with the Service Provider. As at the Latest Practicable Date, all of the Upfront Amount has been utilised for the Transaction Expenses.

2.4 The Proposed Subscription

2.4.1 Introduction

Pursuant to the CSA, the Company agrees to allot and issue, and the Subscriber agrees to subscribe for, 177,298,084,384 Subscription Shares at the issue price of S\$0.0000766 per Subscription Share, with fractional entitlements to be disregarded.

2.4.2 Subscription Shares

The issue price of S\$0.0000766⁶ per Subscription Share represents a discount of approximately 96.2% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019. The issue price was mutually agreed between the Company and the Subscriber on a willing-buyer, willing-seller basis, after taking into account the following factors:

- (a) the prolonged trading suspension since 4 February 2019;
- (b) pursuant to the Proposed Debt Restructuring, the Proposed Issue of Settlement Shares to (i) the holders of the REPS in accordance with the terms of the Bilateral Settlement; and (ii) the Scheme Creditors in accordance with the terms of the Scheme of Arrangement; and
- (c) the Group's limited equity and/or fund-raising options.

The Subscription Shares, when allotted and issued to the Subscriber, shall be duly authorised, validly issued and credited as fully paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Subscription Shares.

6 The issue price of S\$0.0000766 has been rounded to three (3) significant figures for illustration purposes from the calculated price of S\$0.00007657161129012, which has been derived by dividing the Subscription Amount of S\$13,576,000 by the Subscription Shares of 177,298,084,384.86 (with fractional entitlement to be disregarded).

LETTER TO SHAREHOLDERS

2.4.3 Issue size

The number of Subscription Shares to be allotted and issued is 177,298,084,384, representing approximately 1,298.0% of the Existing Share Capital and 64.9% of the Enlarged Share Capital.

Pursuant to the Proposed Share Consolidation, the total number of Subscription Shares will be 177,298,085, representing approximately 64.9% of the Consolidated Enlarged Share Capital, 38.0% of the Options Enlarged Share Capital and 30.1% of the Convertible Loan Enlarged Share Capital.

Please refer to section 8 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

2.4.4 Use of proceeds

The intended uses of proceeds of the Proposed Subscription are as follows:

Use of proceeds	S\$('000)	Percentage allocation
Capitalisation of amount owing to CMIL (via the allotment and issue of such number of Subscription Shares to the Subscriber)	10,860.8	80.0%
Settlement of liabilities pursuant to the Proposed Debt Restructuring	1,357.6	10.0%
Estimated expenses for the Pre-Approved Transaction Expenses (including Upfront Fees of S\$339,400 which have already been fully utilised)	678.8	5.0%
Working capital, which shall include but is not limited to the satisfaction of the Completion AP (including the balance of the Transaction Expenses)	678.8	5.0%
TOTAL	13,576.0	100.0%

Pending the deployment of the net proceeds for the use identified above, the net proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of the proceeds as and when such funds are materially disbursed and provide a status report on the use of the proceeds from the Proposed Subscription (including a breakdown with specific details) in the Company's interim and full-year financial statements issued under Catalist Rule 705 and its annual reports. Where the proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

2.4.5 Catalist Rule 812(1)

As at the Latest Practicable Date, the Subscriber is not a person who falls within the categories set out in Catalist Rule 812(1). Accordingly, the Subscription Shares will not be placed by the Company to any person who is a Director or Substantial Shareholder, or any other person in the categories set out in Catalist Rule 812(1).

2.4.6 Authority to allot and issue the Subscription Shares

Under Section 161 of the Companies Act and pursuant to Catalist Rule 805(1), an issuer must obtain the prior approval of shareholders in a general meeting for the allotment and issue of shares, unless such shares are issued under a general mandate obtained from shareholders in a general meeting.

LETTER TO SHAREHOLDERS

Separately, Catalyst Rule 811(1) provides that an issue of shares must not be priced at more than a 10.0% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement or CSA was signed. Catalyst Rule 811(3) provides, among others, that Catalyst Rule 811(1) is not applicable if specific shareholder approval is obtained for the issue of shares.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Subscription and the allotment and issue of the Subscription Shares for the purposes of Catalyst Rules 805(1) and 811(3).

2.4.7 No placement agent

There is no placement agent appointed for the Proposed Subscription. The Proposed Subscription will be by way of a private placement pursuant to an exempted offer under Section 272B of the SFA. Hence, no prospectus or offer information statement will be issued in connection with the Proposed Subscription.

2.5 The Proposed Grant of Options

2.5.1 Introduction

Pursuant to the CSA, the Company agrees to grant, and the Subscriber agrees to subscribe for, 193,416,092,056⁷ unlisted and freely transferrable Options for a nominal aggregate consideration of S\$1.00, with each Option carrying the right to subscribe for one (1) Option Share at the Exercise Price.

2.5.2 Principal terms of the Options

The principal terms of the Options are set out below:

Number of Options: 193,416,092,056 Options, subject to any adjustments required as summarised below in *Adjustments* pursuant to the CSA.

In particular, further to condition 4.2.3 of the terms and conditions of the Options as set out in Schedule 1 of the Subscription Agreement and as extracted in **Appendix B** (*Extracts of the adjustment events under the terms and conditions of the Options*) to this Circular, the Proposed Share Consolidation will constitute an event giving rise to adjustments to the number of Options and the Exercise Price payable for each Option Share on the exercise of the Options. The adjusted number of Options to be granted to the Subscriber and the new Exercise Price following completion of the Proposed Share Consolidation will be 193,417,804 Options and S\$0.084 per Option.

Please refer to section 7.7 (*Adjustments to securities pursuant to the Proposed Share Consolidation*) of this Circular for further information on the computation of the adjusted number of Options and new Exercise Price pursuant to the Proposed Share Consolidation.

Consideration: S\$1.00.

Status and transferability of the Options: The Options constitute valid, legally binding and enforceable obligations of the Company and are unlisted and freely transferable.

⁷ Shareholders are to note that this number of Options Shares is before adjustments pursuant to the completion of the Proposed Share Consolidation. Please refer to section 2.5.2 (*Principal terms of the Options*) of this Circular for clarification on the number of Options Shares

LETTER TO SHAREHOLDERS

Exercise rights of the Options:	Each Option entitles the Option Holder to subscribe for one (1) Option Share at the relevant Option Price (as defined below) during the Exercise Period (as defined below). The Option Holder may only exercise the Options in tranches of S\$50,000 at any time during the Exercise Period (with fractional entitlements to be disregarded), save where the balance of Options held by an Option Holder is less than S\$50,000, in which case, the Option Holder may exercise all but not some of such balance of the Options (with fractional entitlements to be disregarded).
Exercise Price of the Options:	The Exercise Price shall be the Option Price, subject to any adjustments required as summarised below in <i>Adjustments</i> pursuant to the terms and conditions of the Options in the CSA. In particular, following the completion of the Proposed Share Consolidation, the new Exercise Price will be S\$0.084.
Payment of the Exercise Price:	Payment of the Exercise Price by the Option Holder shall be made either (a) by way of set-off against an existing debt owed by the Company to the Option Holder as at the date of the relevant exercise notice; or (b) by way of a Singapore dollar cheque or by banker's draft or cashier's order for the amount of the moneys payable in respect of the Options exercised.
Exercise Period:	The period commencing on and including the date of issue of the Options and expiring on the fifth (5th) anniversary of the date of issue of the Options, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event, such period shall end on the date prior to the closure of the Register of Members of the Company or immediate preceding Market Day (as the case may be) (the "Exercise Period"). At the expiry of the Exercise Period (the "Expiry Date"), the Options, if not exercised, shall lapse and cease to be valid for any purpose.
Exercise Date:	The exercise date, in relation to the exercise of the Options, shall be the Market Day (falling within the Exercise Period) on which the applicable conditions referred to in the terms and conditions of the Options in the CSA are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls on a date when the register of members of the Company is closed, the option exercise date shall be the following Market Day on which the register of members is open (the "Exercise Date"). The Options which are exercised shall be treated as exercised on the Exercise Date and shall immediately thereafter be cancelled on the Exercise Date.

LETTER TO SHAREHOLDERS

Adjustments:

The Option Price and number of Options are subject to certain anti-dilution adjustments under circumstances provided for in the CSA. Such circumstances relate to, among others:

- (a) an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);
- (b) a Capital Distribution (as defined in the terms and conditions of the Options in the CSA) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (c) any share split, consolidation, reclassification or subdivision of the Shares,

subject to any exceptions as set out in the terms and conditions of the Options in the CSA.

Please refer to **Appendix B** (*Extracts of the adjustment events under the terms and conditions of the Options*) to this Circular for further details on the anti-dilution adjustments.

Notice of expiry:

The Company shall, not later than one (1) month before the Expiry Date, announce the Expiry Date on SGXNet. Additionally, the Company shall, not later than one (1) month before the Expiry Date, take reasonable steps to notify the Option Holder in writing of the Expiry Date and such notice shall be delivered personally or by post to the address of the Option Holder.

Alteration to Terms:

No material alteration to the terms of the Options after the issue thereof to the advantage of the Option Holder shall be made, unless the alterations are made pursuant to the terms and conditions of the Options or the prior approval of Shareholders in general meeting has been sought.

No modification or alteration shall materially adversely affect the rights attaching to any Option granted prior to such modification or alteration, except with the written consent of the Option Holders holding or representing not less than fifty per cent. (50.0%) of the Options for the time being unexercised.

Written notice of any modification or alteration made in accordance with the terms and conditions of the Options shall be given to all Option Holders.

LETTER TO SHAREHOLDERS

Liquidation:

If notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, the Option Holder shall be entitled upon and subject to the Conditions, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by submission of an exercise notice to the Company, together with all moneys payable in respect of the Options, to elect to be treated as if it had immediately prior to the commencement of such winding-up exercised the Options and had on such date been the holder of the Shares to which it would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Option Holder of the passing of any such resolution within seven (7) days after the passing thereof.

Subject to the foregoing, if an order is made for the winding-up of the Company on the basis of its insolvency, all Options which have not been exercised at the date of the passing of such order shall lapse and the Options shall cease to be valid for any purpose.

Further issues:

Subject to the terms and conditions of the Options, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Option Holder shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting.

Governing law:

The Options and the terms and conditions of the Options shall be governed by and construed in accordance with the laws of the Republic of Singapore.

LETTER TO SHAREHOLDERS

2.5.3 Issue size

The number of Option Shares to be allotted and issued pursuant to the full exercise of all Options and prior to the Proposed Share Consolidation is 193,416,092,056, representing approximately 1,416.0% of the Existing Share Capital and 70.8% of the Enlarged Share Capital.

Further to condition 4.2.3 of the terms and conditions of the Options as set out in Schedule 1 of the Subscription Agreement and as extracted in **Appendix B** (*Extracts of the adjustment events under the terms and conditions of the Options*) to this Circular, the Proposed Share Consolidation will constitute an event giving rise to adjustments to the number of Options and the Exercise Price payable for each Option Share on the exercise of the Options. The adjusted number of Options to be granted to the Subscriber and the new Exercise Price following completion of the Proposed Share Consolidation will be 193,417,804 Options and S\$0.084 per Option. Please refer to section 7.7 (*Adjustments to securities pursuant to the Proposed Share Consolidation*) of this Circular for further information on the computation of the adjusted number of Options and new Exercise Price pursuant to the Proposed Share Consolidation.

The adjusted number of Option Shares represent approximately 70.8% of the Consolidated Enlarged Share Capital, 41.5% of the Options Enlarged Share Capital and 32.9% of the Convertible Loan Enlarged Share Capital.

The Option Shares to be issued pursuant to the exercise of the Options, when allotted and issued to the Subscriber, shall be duly authorised, validly issued and credited as fully paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Option Shares.

Please refer to section 8 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

In the event that the Company does not have at least 10% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) that are held by the public, following the allotment and issue of any Option Shares, it will undertake a compliance placement to be in compliance with Catalist Rule 723.

2.5.4 Exercise Price

The Exercise Price of S\$0.0000842 per Option Share represents a discount of approximately 95.8% to the VWAP of S\$0.002 before the Proposed Share Consolidation for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019.

The Exercise Price was mutually agreed between the Company and the Subscriber on a willing-buyer, willing-seller basis, taking into consideration a 10.0% premium over the Subscription Price. Please also refer to section 2.4.2 (*Subscription Shares*) of this Circular for further details regarding the basis on which the Subscription Price was determined.

Separately, pursuant to condition 4.2.3 of the terms and conditions of the Options as set out in Schedule 1 of the Subscription Agreement and as extracted in **Appendix B** (*Extracts of the adjustment events under the terms and conditions of the Options*) to this Circular, the Proposed Share Consolidation will constitute an event giving rise to adjustments to the number of Options and the Exercise Price payable for each Option Share on the exercise of the Options. The adjusted number of Options to be granted to the Subscriber and the new Exercise Price following completion of the Proposed Share Consolidation will be 193,417,804 Options and S\$0.084 per Option. Please refer to section 7.7 (*Adjustments to securities pursuant to the Proposed Share Consolidation*) of this Circular for further information on the computation of the adjusted number of Options and new Exercise Price pursuant to the Proposed Share Consolidation.

LETTER TO SHAREHOLDERS

2.5.5 Use of proceeds

Assuming that all Options are validly exercised, the aggregate gross proceeds from the allotment and issue of Option Shares will be S\$16,291,200. No material expenses are expected to be incurred from the Proposed Grant of Options. The aggregate gross proceeds from the exercise of the Options shall be used by the Company in the following estimated proportions:

Use of proceeds	S\$('000)	Percentage allocation
Funding for new renewable energy-related projects	13,033.0	80.0%
Working capital, which shall include but is not limited to the satisfaction of the Completion AP, payment of purchases, employees' salaries and outstanding balances in the ordinary course of business	3,258.2	20.0%
TOTAL	16,291.2	100.0%

Pending the deployment of the proceeds for the uses identified above, such proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of the proceeds as and when such funds are materially disbursed and provide a status report on the use of the proceeds from the Proposed Grant of Options (including a breakdown with specific details) in the Company's interim and full-year financial statements issued under Catalist Rule 705 and its annual reports. Where the proceeds are used for working capital purposes, the Company will disclose a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of the proceeds, the Company will announce the reasons for such deviation.

2.5.6 Catalist Rule 812

As at the Latest Practicable Date, the Subscriber is not a person who falls within the categories set out in Catalist Rule 812(1). Accordingly, the Option Shares will not be placed by the Company to any person who is a Director or Substantial Shareholder, or any other person in the categories set out in Catalist Rule 812(1).

2.5.7 Authority to grant the Options and allot and issue the Option Shares

Under Section 161 of the Companies Act, a company must obtain the prior approval of shareholders in a general meeting for the allotment and issue of shares. In addition, pursuant to Catalist Rules 805(1) and 824, an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in a general meeting.

Separately, Catalist Rule 811(2)(a) provides that in an issue of convertible securities (including options), if the conversion price is fixed, the price must not be more than a 10.0% discount to the prevailing market price of the underlying shares prior to the signing of the placement or CSA. Catalist Rule 811(3) provides, among others, that Catalist Rule 811(2) is not applicable if specific shareholder approval is obtained for the issue of convertible securities.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Grant of Options and the allotment and issue of the Option Shares pursuant to the exercise of the Options for the purposes of Catalist Rules 805(1), 811(3) and 824.

LETTER TO SHAREHOLDERS

2.5.8 No placement agent

There is no placement agent appointed for the Proposed Grant of Options. The Proposed Grant of Options will be by way of a private placement pursuant to an exempted offer under Section 272B of the SFA. Hence, no prospectus or offer information statement will be issued in connection with the Proposed Grant of Options.

2.6 The Proposed Convertible Loan

2.6.1 Introduction

The Company, the Original Borrowers and the Subscriber entered into the Convertible Loan Agreement on 20 December 2024 to agree on the following:

- (a) the Original Outstanding Amounts under the Original Loan Agreements will amount up to S\$21,115,800⁸ as at the CLA Effective Date. The Original Outstanding Amounts shall be proportionately reduced to account for the fewer days of accrued interest and default interest in the event that the Convertible Loan Agreement is effective at an earlier date;
- (b) S\$10,860,800 of such Original Outstanding Amounts under the Original Loan Agreements will be capitalised via the allotment and issue of Subscription Shares to the Subscriber as provided for under the terms and conditions of the CSA and as described in section 2.3.2 (*Payment of Subscription Amount*) of this Circular;
- (c) the remaining Original Outstanding Amounts of up to S\$10,255,000 will be owed by the Company (in lieu of the Original Borrowers) to CMIL as a convertible loan, on the terms and conditions of the Convertible Loan Agreement; and
- (d) upon the CLA Effective Date and the Company assuming the obligations under the Proposed Convertible Loan, the Original Loan Agreements and the security documentation thereunder shall be fully terminated and parties to such documentation (including the Original Borrowers) shall be fully released and discharged. No party to the Original Loan Agreements and the security documentation thereunder shall have (i) any further rights or obligations thereunder; or (ii) any claim against the other party(ies) for costs, expenses, damages, losses, compensation or otherwise in respect thereunder. For the avoidance of doubt, any interest payable under the Original Loan Agreements shall cease to accrue upon such termination on the CLA Effective Date.

2.6.2 Principal terms of the Convertible Loan Agreement

Parties to the Convertible Loan Agreement	(a) The Company as the borrower;
	(b) AM2 and CESH SL as the Original Borrowers;
	(c) CMIL as the lender; and
	(d) Yin Khing Investments Limited as the Subscriber.

8 The Original Outstanding Amounts under the Original Loan Agreements are expected to amount up to a total of S\$21,115,800, which represents a theoretical upper limit, calculated based on an interest rate of 15% per annum and a default interest rate of 3% per annum up to 31 December 2025 (the “**31 December 2025 Maximum Amount**”), consistent with the terms of the Original Loan Agreements, as the Original Outstanding Amounts remain unpaid and outstanding up until the CLA Effective Date. This 31 December 2025 Maximum Amount is on the basis that the parties to the Convertible Loan Agreement agree to an extension of the CLA Cut-off Date (as defined below) beyond 2 August 2025.

LETTER TO SHAREHOLDERS

Principal Amount:	The principal amount of up to S\$10,255,000, with the final amount of such Principal Amount to be confirmed in writing by the Parties in the confirmation letter to be executed on the CLA Effective Date (the “CLA Principal Amount”). If the CLA Effective Date is earlier, the Original Outstanding Amounts will be proportionally reduced to reflect fewer days of accrued and default interest. As the CLA Principal Amount of the Proposed Convertible Loan is the remaining Original Outstanding Amount, the CLA Principal Amount of up to S\$10,255,000 is the maximum amount of the Proposed Convertible Loan.
Interest:	The rate of interest on the Proposed Convertible Loan (the “Interest”) is 10.0% per annum. Such Interest shall accrue from the CLA Effective Date up to the date of repayment of all outstanding principal amount of the Proposed Convertible Loan and calculated on the basis of the actual number of days elapsed and a 365-day year. The Interest shall be payable every six (6) months (the “Interest Period”).
Default Interest:	The Company shall be liable to pay default interest of 5.0% per annum on any outstanding amount that has not been paid when due under the Convertible Loan Agreement.
Interest Period:	Interest is payable on the last day of each Interest Period. If an Interest Period would otherwise end on a day which is not a business day, that Interest Period shall instead end on the next business day.
CLA Effective Date:	The Convertible Loan Agreement and the Proposed Convertible Loan shall come into effect within 14 days from the fulfilment of the CLA Conditions (as defined below) (or such other date as agreed in writing among the Company, CMIL and the Subscriber) (the “CLA Effective Date”).
Maturity Date:	The date falling five (5) years from the CLA Effective Date (or such other date to be agreed in writing among the Company, CMIL and the Subscriber) (the “CLA Maturity Date”).
Prepayment:	The Company shall have the right (but not the obligation) at any time to make prepayment or early repayment (whether in full or in part) of the Proposed Convertible Loan, or any accrued Interest, prior to the CLA Maturity Date, without any repayment or early repayment penalty.
Security:	The Proposed Convertible Loan is unsecured.
Conversion Right:	<u>Conversion at the option of the Subscriber</u> The Subscriber (as the nominee of CMIL) shall have the right at any time during the Conversion Period (as defined below), upon written notice to the Company to convert in full or any part of the outstanding CLA Principal Amount of the Proposed Convertible Loan into the Conversion Shares.

LETTER TO SHAREHOLDERS

Conversion at the option of the Company

Subject to the following paragraph, except on the occurrence of an Event of Default (as defined below), if there is any outstanding CLA Principal Amount of the Proposed Convertible Loan on the CLA Maturity Date, the full (and not part) amount of the outstanding Principal Amount of the Proposed Convertible Loan shall be automatically converted into Conversion Shares at the applicable Conversion Price (as defined below). The Company shall be irrevocably authorised to apply such outstanding CLA Principal Amount of the Proposed Convertible Loan towards the Conversion Price for the Conversion Shares and shall be entitled to credit the Conversion Shares as fully paid up.

By no later than seven (7) Business Days prior to the Maturity Date, the Company shall inform CMIL and the Subscriber in writing, of its intention to repay and/or convert the outstanding CLA Principal Amount of the Proposed Convertible Loan on the CLA Maturity Date and procure the relevant information required from CMIL and/or the Subscriber for such repayment and/or conversion.

Deemed repayment upon conversion

In the event that a conversion of any amount of the CLA Principal Amount of the Proposed Convertible Loan occurs in accordance with the terms of the Convertible Loan Agreement (the “**Converted Loan Amount**”), the CLA Principal Amount of the Proposed Convertible Loan shall be reduced accordingly by the Converted Loan Amount and the obligation of the Company to repay such Converted Loan Amount will be deemed discharged in full and the right of CMIL to the repayment of the Converted Loan Amount shall be extinguished in full.

For the avoidance of doubt, no further Interest will accrue on any repaid amounts (including any Converted Loan Amount) upon such repayment and/or conversion. Interest that has accrued on such amounts prior to the repayment and/or conversion will remain payable in accordance with the section titled “Interest” above.

Conversion Period: The period commencing on and from the CLA Effective Date and ending on the CLA Maturity Date.

Conversion Price: The Conversion Price of S\$0.0000842⁹ per Conversion Share represents a discount of approximately 95.8% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full market day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019. The Conversion Price is subject to adjustment as described below.

The Conversion Price was mutually agreed between the Company, CMIL and the Subscriber on a willing-buyer, willing-seller basis, taking into consideration a 10.0% premium over the Subscription Price and alignment with the exercise price of the Options, based on anticipation of future growth of the Group pursuant to the completion of the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Debt Restructuring, the Proposed Share Consolidation and the resumption of trading of the Shares.

9 This Conversion Price of S\$0.0000842 has been rounded to three (3) significant figures for illustration purposes from the calculated price of S\$0.00008422877241913, which has been derived at a 10% premium over the Subscription Price of S\$0.00007657161129012.

LETTER TO SHAREHOLDERS

Adjustment to Conversion Price

During the Conversion Period, the Conversion Price shall be subject to the following adjustment if and whenever a consolidation or subdivision of the Shares occurs:

$$\text{New Conversion Price} = \frac{Q}{R} \times P$$

where:

Q : the aggregate number of issued and fully paid-up Shares immediately before share consolidation or subdivision;

R : the total Shares outstanding post share consolidation or subdivision; and

P : existing Conversion Price,

such adjustments will be effective from the close of the business day immediately preceding the date on which the share split, consolidation, reclassification or subdivision becomes effective.

As the Proposed Share Consolidation will constitute such an event giving rise to adjustment to the Conversion Price, upon the completion of the Proposed Share Consolidation (being the Effective Date of the Convertible Loan Agreement), the new Conversion Price will be S\$0.0842¹⁰ per Conversion Share, based on the formula above.

Conditions:

The Convertible Loan Agreement and the Proposed Convertible Loan shall come into effect on the Effective Date upon the fulfilment of the below conditions:

- (a) the AIP of the SGX-ST being obtained by the Company in relation to the listing and quotation of the Subscription Shares, the Settlement Shares, the Option Shares and the Conversion Shares;
- (b) the grant by the SIC (and the SIC not having revoked or repealed such grant) of the Whitewash Waiver following the allotment and issue of the Subscription Shares under the CSA, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscriber; and (ii) the independent Shareholders approving at an EGM the Proposed Whitewash Resolution;

10

This post share consolidation Conversion Price of S\$0.0842 is the agreed conversion price stated in Clause 5.4 of the Convertible Loan Agreement dated 20 December 2024.

LETTER TO SHAREHOLDERS

- (c) Shareholders' approval being obtained at an EGM to be duly convened for, among others, (i) the transactions contemplated under the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan including the relevant allotment and issue of Subscription Shares, Option Shares (pursuant to the exercise of all of the Options) and Conversion Shares (pursuant to the full conversion under the Convertible Loan Agreement)); (ii) the transfer of controlling interest in the Company to the Subscriber; (iii) the Proposed Whitewash Resolution; (iv) the Proposed Debt Restructuring including the allotment and issue of the Settlement Shares; and (v) the Proposed Share Consolidation;
- (d) such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Parties in respect of the transactions contemplated in the Convertible Loan Agreement and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Parties;
- (e) CMIL or its duly authorised representative shall have received a copy of (i) the board resolutions of the Company and shareholder resolutions of the Original Borrowers authorising the execution and delivery of the Convertible Loan Agreement; and (ii) any other authorisation or other document, opinion or assurance which the Lender reasonably considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Convertible Loan Agreement or for the legality, validity, enforceability or admissibility in evidence of the Convertible Loan Agreement; and
- (f) on the date of the Convertible Loan Agreement, the warranties are true and correct in all respects (except those warranties that are made as of a specific date shall be true and correct only as of such date), (i) disregarding (A) any breaches or inaccuracies thereof that, individually or in the aggregate, are not material; and (B) any breaches or inaccuracies thereof that, individually or in the aggregate, do not and will not result in a material adverse effect; and (ii) subject to any matter or thing hereafter done or omitted to be done pursuant to the Convertible Loan Agreement or otherwise at the request in writing or with the approval in writing of CMIL.

The Proposed Convertible Loan shall be inter-conditional with the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring and the Proposed Share Consolidation, and the CLA Effective Date shall be concurrent with the date of the completion of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring and the Proposed Share Consolidation (unless as otherwise agreed in writing among the Company, CMIL and the Subscriber).

If any of the conditions above are not satisfied or waived by 2 August 2025 (or such other date as agreed in writing among the Company, CMIL and the Subscriber) (the "**CLA Cut-off Date**")¹¹, the Convertible Loan Agreement shall terminate forthwith and the obligations of the parties thereunder shall cease and be of no further effect.

As at the Latest Practicable Date, save for sub-paragraphs (a) and (c) to be fulfilled with the EGM and sub-paragraphs (d) and (f) which are to be fulfilled on completion, all other conditions to the Proposed Convertible Loan have been fulfilled.

LETTER TO SHAREHOLDERS

- Events of default:** If any one or more of the following events (each an “**Event of Default**”) shall occur, that is to say:
- (a) if the Company fails to pay any sum payable by it under the Convertible Loan Agreement on its due date;
 - (b) if the Company does not perform or comply with any one or more of its obligations under the Convertible Loan Agreement (other than the obligation referred to in paragraph (a) above and such breach (if capable of being rectified) is not rectified within thirty (30) calendar days of a notice from CMIL to the Company of such default or the Company becoming aware of such default (whichever is earlier);
 - (c) if any representation, warranty or statement made or deemed to be made by the Company in the Convertible Loan Agreement or any other document delivered by or on behalf of the Company under or in connection with the Convertible Loan Agreement is or proves to have been intentionally misleading or fraudulent when made, having regard to the provisions of the Convertible Loan Agreement;
 - (d) if in respect of the Company, it shall stop or suspend payment of all or any part of its debts or shall be unable or deemed by law to be unable or shall admit its inability to pay all or any part of its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors in respect of all or any part of its debts or begin negotiations or take any proceeding or other step with a view to reconstruction, readjustment, rescheduling or deferral of all or any part of its debts or a moratorium is agreed or declared in respect of or affecting all or any part of its debts;
 - (e) if any investigation, litigation, arbitration, administrative or other proceeding or claim which is likely to, if adversely determined, have a material adverse effect on the ability of the Company to perform any of its obligations under the Convertible Loan Agreement, is commenced or threatened against the Company or any of its assets;
 - (f) if any action, condition or thing (including the obtaining of any necessary consent) required to be taken, fulfilled or done for any purpose stated in clause 7.1(e)¹² of the Convertible Loan Agreement is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with;
 - (g) save for the Proposed Debt Restructuring to be completed by the CLAEffected Date, if the Company is adjudicated insolvent or enters into a scheme of arrangement or composition with or assignment for the benefit of all or any class of creditors or a petition is presented for the winding up, insolvency, dissolution, appointment of a receiver or a judicial manager, liquidator or provisional liquidator, receiver or receiver and manager, trustee or similar officer over the whole or any part of the Company’s assets, or any analogous event occurs or proceeding is taken in any jurisdiction;

12 Clause 7.1(e) relates to a representation and warranty provided in relation to “all authorisations from, and notices of filings with, any governmental or other authority that are necessary to enable it to execute, deliver and perform its obligations under the Convertible Loan Agreement, to ensure that those obligations are valid, legally binding and enforceable and to make the Convertible Loan Agreement admissible in evidence in Singapore have been obtained or made (as the case may be) and are in full force and effect and all conditions of each such authorisation have been complied with”.

LETTER TO SHAREHOLDERS

- (h) if it is or becomes unlawful for the Company to perform any of its obligations under the Convertible Loan Agreement; or
- (i) if the Convertible Loan Agreement ceases for any reason (or is claimed by the Company not) to be the legal and valid obligations of the Company, binding upon it in accordance with its terms,

then and in any of such events, the Lender may by notice in writing to the Company declare that an Event of Default has occurred.

Other material terms: CMIL covenants and undertakes to the Company and the Original Borrowers to enter, and to procure the entry, into any further documentation (including deed(s) of release), formalities and filings required for the full release and discharge of the Original Loan Agreements and all security documentation thereunder as soon as practicable and by no later than the date falling within six (6) months of the CLA Effective Date (or such other date as otherwise agreed in writing among the Company, the Original Borrowers, CMIL and the Subscriber).

The Subscriber undertakes to the Company that it shall not convert any part of the outstanding CLA Principal Amount of the Proposed Convertible Loan into Conversion Shares in the event that such conversion (resulting in the allotment and issue of the Conversion Shares) will cause the Company to not have at least 10.0% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) to be held by the public.

Governing law and jurisdiction: Singapore law and arbitration administered by the Singapore International Arbitration Centre.

2.6.3 Issue size

The number of Conversion Shares to be allotted and issued pursuant to the full conversion of the principal amount of the Proposed Convertible Loan and prior to the Proposed Share Consolidation is up to 121,751,744,748 Shares, representing approximately 891.3% of the Existing Share Capital and 44.6% of the Enlarged Share Capital.

The adjusted number of Conversion Shares to be allotted and issued to the Subscriber following completion of the Proposed Share Consolidation (based on the new Conversion Price) will be up to 121,793,350, representing approximately 44.6% of the Consolidated Enlarged Share Capital, 26.1% of the Options Enlarged Share Capital and 20.7% of the Convertible Loan Enlarged Share Capital. Please refer to section 7.7 (*Adjustments to securities pursuant to the Proposed Share Consolidation*) of this Circular for further information on the computation of the adjusted number of Conversion Shares pursuant to the Proposed Share Consolidation.

The Conversion Shares to be allotted and issued to the Subscriber pursuant to the conversion of the Proposed Convertible Loan, when allotted and issued to the Subscriber, shall be duly authorised, validly issued and credited as fully paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Conversion Shares.

Please refer to section 8 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

LETTER TO SHAREHOLDERS

In the event that the Company does not have at least 10% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) that are held by the public, following the allotment and issue of any Conversion Shares, it will undertake a compliance placement to be in compliance with Catalist Rule 723.

2.6.4 Conversion Price

The Conversion Price of S\$0.0000842 per Conversion Share represents a discount of approximately 95.8% to the VWAP of S\$0.002 before the Proposed Share Consolidation for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019.

The Conversion Price was mutually agreed between the Company and the Subscriber on a willing-buyer, willing-seller basis, taking into consideration a 10.0% premium over the Subscription Price and alignment with the Exercise Price of the Options, based on anticipation of future growth of the Group pursuant to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Share Consolidation and the resumption of trading of the Shares. Please also refer to section 2.4.2 (*Subscription Shares*) of this Circular for further details regarding the basis on which the Subscription Price was determined.

Separately, pursuant to the terms and conditions of the Proposed Convertible Loan, the Proposed Share Consolidation will constitute an event giving rise to an adjustment to the Conversion Price. Following completion of the Proposed Share Consolidation, the new Conversion Price will be S\$0.0842 per Conversion Share.

2.6.5 Use of proceeds

No proceeds will be disbursed under the Proposed Convertible Loan as the principal amount is a part of the Original Outstanding Amounts under the Original Loan Agreements and no proceeds will be raised from the allotment and issue of the Conversion Shares as the allotment and issue of the Conversion Shares will be for the capitalisation of the outstanding principal amount under the Proposed Convertible Loan.

2.6.6 Catalist Rule 812(1)

As at the Latest Practicable Date, the Subscriber is not a person who falls within the categories set out in Catalist Rule 812(1). Accordingly, the Conversion Shares will not be placed by the Company to any person who is a Director or Substantial Shareholder, or any other person in the categories set out in Catalist Rule 812(1).

2.6.7 Authority to allot and issue Conversion Shares

Under Section 161 of the Companies Act, a company must obtain the prior approval of shareholders in a general meeting for the allotment and issue of shares. In addition, pursuant to Catalist Rules 805(1) and 824, an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in a general meeting.

Separately, Catalist Rule 811(2)(a) provides that in an issue of convertible securities (including options), if the conversion price is fixed, the price must not be more than a 10.0% discount to the prevailing market price of the underlying shares prior to the signing of the placement or CSA. Catalist Rule 811(3) provides, among others, that Catalist Rule 811(2) is not applicable if specific shareholder approval is obtained for the issue of convertible securities.

Under Catalist Rule 824, every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in a general meeting.

LETTER TO SHAREHOLDERS

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Convertible Loan, including the allotment and issue of the Conversion Shares pursuant to the conversion of the principal amount of the Proposed Convertible Loan for the purposes of Catalist Rules 805(1), 811(3) and 824.

2.6.8 No placement agent

There is no placement agent appointed for the Proposed Convertible Loan (the allotment and issue of the Conversion Shares pursuant to the conversion of the principal amount of the Proposed Convertible Loan). The allotment and issue of the Conversion Shares will be by way of a private placement pursuant to an exempted offer under Section 272B of the SFA. Hence, no prospectus or offer information statement will be issued in connection with the Proposed Convertible Loan nor the allotment and issue of the Conversion Shares.

2.6.9 Abstention from voting

As at the Latest Practicable Date, the Subscriber, CMIL and their respective associates do not hold shares in the Company. Further, pursuant to Catalist Rules 812(2), the Subscriber, CMIL and their respective Associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Ordinary Resolution to approve the Proposed Convertible Loan.

3. THE PROPOSED DEBT RESTRUCTURING

3.1 Background to, rationale for and benefits of the Proposed Debt Restructuring

As mentioned in section 2.2 (*Background to, rationale for and benefits of the Proposed Subscriber Transactions*) of this Circular, since the trading suspension of its Shares, the Company took various steps to restructure its debts and existing assets, including negotiating settlement agreements with its lenders, restructuring its debt liabilities, and undertaking divestments of its existing assets including the sale of its oil and gas assets such as Mustang Operations Centre 1 LLC, Accommodation Module at Port Melville, four (4) anchor-handling tug supply vessels, Indian solar assets business and Yichang. However, sale proceeds arising from these disposals were insufficient to fully repay the borrowings of the Group and the Group's debt liabilities continued to exceed its assets.

On 3 February 2023, the Company announced that it and its subsidiary (Anchor Marine 3 Inc) had received notices of demand from one of the secured lending banks of the Group on 1 February 2023, in relation to the facility granted by the bank under a facility agreement to Anchor Marine 3 Inc for the acquisitions of two (2) anchor-handling tug supply vessels. While no further action has been taken by that bank, the Company had on 18 February 2023, in the interest of safeguarding its restructuring process and to ensure the best possible outcome of the Proposed Debt Restructuring, made an application for leave to convene a scheme meeting and for a moratorium against any and all further proceedings in any action or proceeding against the Company to be restrained except by permission of the Court.

For the purposes of restructuring its Group's debts, the Company had:

- (a) entered into the Bilateral Settlement Deed with the REPS Holders. Pursuant to the terms and conditions of the Bilateral Settlement Deed, upon completion thereunder by performance in accordance with its terms, the debts and liabilities of the Group owing to the REPS Holders shall be extinguished upon the REPS Holders; and
- (b) entered into the Scheme of Arrangement which was approved by a majority in number (over 50.0%) and representing at least three-fourths (75.0%) in value of each class of Scheme Creditors, voting in person or by proxy and was approved on 7 July 2023. Pursuant to the terms of the Scheme of

LETTER TO SHAREHOLDERS

Arrangement, as modified by the Supplementary Scheme (which was approved on 26 September 2024), upon completion thereunder by performance in accordance with its terms, all claims and all interest, costs, charges, fees and expenses incurred in connection therewith of the Scheme Creditors against the Company, which were proved in the Scheme of Arrangement and admitted as Approved Scheme Claims (the “Scheme Debt”), shall forever be waived, released, discharged and extinguished.

For further details on the Proposed Debt Restructuring, please refer to the Proposed Debt Restructuring Announcements.

The Proposed Debt Restructuring (consisting of both the Bilateral Settlement and the Scheme of Arrangement) is a means by which the Company will be able to extract value for the benefit of its eligible creditors. Through the Bilateral Settlement and the Scheme of Arrangement for the Proposed Debt Restructuring, the stakeholders have an opportunity to gain value from the Company. Specifically, they are able to obtain a better return than a close to nil return that they would receive in the event the Company is placed in liquidation. In addition, given that the Company is a public listed company, many members of the public who are existing Shareholders would be affected by a delisting and winding-up of the Company. A winding-up of the Company would have an adverse impact on other parties which are also involved in the business and operations of the Company (and consequently, the employees of the Company).

The Directors believe that the Proposed Debt Restructuring, through the Bilateral Settlement and the Scheme of Arrangement, will assist the Company in addressing its solvency issues, facilitate the execution of any future business or restructuring plans and provide an opportunity for its creditors to benefit from the potential rehabilitation of the Company.

In particular, after taking into consideration the Proposed Subscription and the proceeds therefrom, and assuming the completion of the Proposed Grant of Options, Proposed Convertible Loan and Proposed Debt Restructuring, the Group will have available funds to be used as working capital to meet its present requirements, the Company will be able to operate as a going concern and will be able to resume trading of its Shares on the Catalist.

Shareholders should note that the Proposed Issue of Settlement Shares is an integral aspect of the Proposed Debt Restructuring and if the Proposed Issue of Settlement Shares is not approved, both the Scheme of Arrangement and the Bilateral Settlement will be terminated. Shareholders should also note that the Proposed Issue of Settlement Shares is inter-conditional with, among others, the completion of the Proposed Subscriber Transactions and the Proposed Share Consolidation and the Resumption Proposal is conditional upon the approval of the Ordinary Resolutions as proposed for Shareholders’ approval in this Circular.

3.2 Bilateral Settlement

3.2.1 Principal terms of the Bilateral Settlement

Principal terms of the Bilateral Settlement are as follows:

- (a) a settlement sum of S\$203,640 shall be paid in cash to the REPS Holders (the “**Bilateral Cash Settlement**”);
- (b) the Company shall allot and issue 10,654,276,257 Bilateral Settlement Shares, which is equivalent to a total value of S\$815,815, based on an issue price equivalent to the Subscription Price, to the REPS Holders (*pro rata* to their holdings of the REPS) (the “**Bilateral Share Settlement**”, together with the **Bilateral Cash Settlement**”, the “**Bilateral First Settlement**”);
- (c) upon completion of the Bilateral First Settlement, each of the REPS Holders will forfeit and/or relinquish its rights under the REPS (including any interests, distributions or dividends after the cut-off date of the Scheme of Arrangement) to CESH SG at no further cost;

LETTER TO SHAREHOLDERS

- (d) upon completion of the First Settlement, each of the Subscribers shall forfeit and/or relinquish its rights over the assets and security granted under the REPs, which shall be discharged; and
- (e) subject to the completion of the Yichang Divestment, 15.0% of the Yichang Proceeds shall be distributed to the REPS Holders by CESY in accordance with the terms and conditions to be set out in the CESY Trust Deed.

3.2.2 Conditions precedent of the Bilateral Settlement

The Bilateral Settlement is subject to:

- (a) the in-principle approval of the SGX-ST being obtained by the Company in relation to the listing and quotation of the Settlement Shares;
- (b) the in-principle approval of SGX-ST being obtained by the Company in relation to the resumption of trading of the Shares on the SGX-ST;
- (c) Shareholders' approval being obtained at the EGM for, among others, the Proposed Subscription, the Proposed Grant of Options and the Proposed Debt Restructuring (including the allotment and issue of the Subscription Shares, the Settlement Shares and the Conversion Shares); and
- (d) such consents, approval or waiver as may be required (or deemed necessary by the parties to the Bilateral Settlement Deed) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the parties in respect of the transactions contemplated in the Bilateral Settlement Deed and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties,

and shall be inter-conditional with the completion of, among others, (i) the Proposed Subscription; (ii) the Proposed Grant of Options; (iii) the other aspects of the Proposed Debt Restructuring; and (iv) the Proposed Share Consolidation.

As at the Latest Practicable Date, sub-paragraphs (a) and (c) to be fulfilled with the EGM and sub-paragraph (d) which is to be fulfilled on completion, all other conditions to the Bilateral Settlement have been fulfilled.

3.2.3 Information on the REPS Holders

Venstar Investments III Ltd (now in Members' Voluntary Liquidation) is a private equity fund that focuses on private equity investments in the Asia Pacific region. The fund was approved by the Economic Development Board under the Global Investors Program and comprises permanent residence investors under such program.

Evia Growth Opportunities III Ltd (In Members' Voluntary Liquidation) was placed into a solvent winding up on 11 March 2020. The company is a public limited liability company incorporated and domiciled in Singapore, operated as an approved fund under the Global Investor Programme scheme introduced by Singapore Economic Development Board and Ministry of Manpower which enables foreign investors to obtain Singapore Permanent Residency. The principal activity of the company was that of investment holding. The shareholders comprise mainly local and foreign high net worth individual investors. The existing fund manager, Evia Capital Partners Pte Ltd, is retained as the fund manager of the company to assist the liquidators to divest the outstanding investments. The liquidators are granted full authority and discretion to dispose the outstanding investments of the company on such terms as they may reasonably determine.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, none of the REPS Holders, its directors and shareholders (a) holds any Shares; or (b) is related to any of the Directors, Substantial Shareholders, or their respective Associates. There is also no connection (including business relationship) between any of the REPS holders, directors or their shareholders (where applicable) and the Directors or Substantial Shareholders of the Company. Accordingly, as at the Latest Practicable Date, none of the REPS holders is a person who falls within the categories set out in Catalist Rule 812(1) nor are any of them an “interested person” as defined under Chapter 9 of the Catalist Rules.

3.3 Scheme of Arrangement

3.3.1 Principal terms of the Scheme of Arrangement

Certain key terms of the approved Scheme of Arrangement are as follows:

- (a) the total quantum of debt to be restructured under the scheme is approximately US\$54,441,000 (equivalent to approximately S\$73,909,102);
- (b) the amount of the approved claims of the Scheme Creditors adjudicated by the Scheme Managers is approximately S\$74,575,757;
- (c) the Scheme Creditors are separated and voting in two (2) classes (i) Category A Scheme Creditors, being creditors with unsecured claims against the Company; and (ii) Category B Scheme Creditors, being the PERPS Holders;
- (d) to Category A Scheme Creditors, a distribution of cash in two (2) tranches (i) approximately S\$1.15 million in accordance with their respective entitlements under the terms of the Scheme of Arrangement within 14 Business Days of the Completion Date (the “**Scheme Tranche 1 Cash**”); and (ii) 85.0% of the Yichang Proceeds, in accordance with their respective entitlements under the terms of the Scheme of Arrangement as modified by the Supplementary Scheme and in accordance with the terms and conditions to be set out in the CESY Trust Deed;
- (e) the allotment and issue of up to 71,574,881,524 Scheme Shares to the Scheme Creditors in connection with the debt-to-equity conversion of a portion of Category A Scheme Creditors’ Scheme Debts and the entirety of Category B Scheme Creditors’ Scheme Debts; and
- (f) upon the payment of Scheme Tranche 1 Cash and allotment and issue of the Settlement Shares to the Scheme Creditors, all claims and all interests, costs, charges, fees and expenses incurred in connection therewith of the Scheme Creditors against the Company shall forever be waived, released, discharged and extinguished.

3.3.2 Conditions precedent

The Scheme of Arrangement is subject to the conditions precedent of the CSA as set out in section 2.3.5 (*Conditions precedent*) of this Circular and the following conditions precedent:

- (a) leave being granted by the Court to convene the Scheme Meeting;
- (b) the Scheme Creditors at the Scheme Meeting having approved the terms of the Scheme of Arrangement;
- (c) the approval by the General Division of the Court in relation to the Scheme of Arrangement;
- (d) a copy of the order of Court made under Section 210(3AB)(c) of the Companies Act is lodged with the registrar of companies;

LETTER TO SHAREHOLDERS

- (e) the restraint of proceedings of the Scheme of Arrangement remaining in place until the termination of the Supplementary Scheme;
- (f) the approval of the Supplementary Scheme by the majority in number (over 50%) and representing at least three-fourths (that is, 75%) in value of Category A Scheme Creditors indicating their votes through the ballot forms;
- (g) the approval of the Supplementary Scheme by the General Division of the High Court pursuant to Section 71(1) of the IRDA and a copy of the Order of Court approving the Supplementary Scheme is lodged with the Registrar of Companies pursuant to Section 71(100(a) of the IRDA;
- (h) the execution of a supplemental agreement to the equity transfer agreement for the Yichang Divestment;
- (i) the completion of the Yichang Divestment;
- (j) the creation of a fresh debt obligation to the Subscriber and/or its subsidiary in relation to the Original Loan Agreements; and
- (k) such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the parties in respect of the equity transfer agreement for the Yichang Divestment and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties.

As at the Latest Practicable Date, [all of the conditions set out above] have been fulfilled. Please refer to section 2.3.5 (*Conditions precedent*) of this Circular for the status of the conditions under the CSA.

3.3.3 Classification of the Scheme Creditors

Pursuant to the terms of the Scheme of Arrangement, the Scheme Creditors will be separated into the following two (2) classes:

- (a) Creditors with unsecured claims (the “**Category A Scheme Creditors**”); and
- (b) PERPS Holders (the “**Category B Scheme Creditors**”).

3.3.4 Information on the Scheme Creditors

Scheme Creditors with Approved Scheme Claims shall be entitled to receive distribution under the terms of the Scheme of Arrangement. Based on the Scheme Manager’s adjudication of the proof of debts submitted, the cash and the allotment and issue of Settlement Shares to Category A Scheme Creditors amounts to a recovery of approximately 9.0% to the Category A Scheme Creditors (assuming the Yichang Proceeds to be nil), and the allotment and issue of Settlement Shares to Category B Scheme Creditors amounts to a recovery of approximately 7.4% to the Category B Scheme Creditors.

Details of the Scheme Creditors together with their respective Approved Scheme Claims are set out in **Appendix C** (*Details of Creditors*) to this Circular.

3.3.5 Distribution under the Scheme of Arrangement

The Scheme Creditors agree to compromise their claims under the Scheme of Arrangement in consideration for receiving the following distribution:

- (a) **Category A Scheme Creditors:** The distribution of (a) cash of approximately S\$1.15 million with their respective entitlements in accordance with the terms of the Scheme of Arrangement, being approximately a recovery of 1.8% of the total Scheme Debt in this class; (b) 85.0% of

LETTER TO SHAREHOLDERS

the Yichang Proceeds, such proceeds to be distributed in accordance with the terms and conditions of the CESY Trust Deed, being approximately a recovery of up to 3.6% of the total Scheme Debt in this class; and (c) the allotment and issue of up to 60,101,045,554 Settlement Shares, with their respective entitlements in accordance with the terms of the Scheme of Arrangement, being approximately a recovery of 7.2% of the total debt in this class. In summary, the total recovery is estimated to amount to approximately 12.6% of the total Scheme Debt in this class; and

- (b) **Category B Scheme Creditors:** The allotment and issue of up to 11,473,835,970 Settlement Shares, with their respective entitlements in accordance with the terms of the Scheme of Arrangement, being approximately a recovery of 7.4% of the total Scheme Debt in this class.

The Company shall issue Settlement Shares to the Scheme Creditors within 30 Business Days of the Scheme Effective Date.

3.3.6 Proceeds from the Yichang Divestment

As at the Latest Practicable Date, the first instalment for the Yichang Divestment was received by the Company in December 2024. On 5 March 2025, the Company received a request from the purchaser of Yichang (the “**Yichang Purchaser**”) to defer the payment dates of the second instalment, third instalment and fourth instalment. Under the Yichang Purchaser’s deferred payment request, the said installments (together with the final instalment) will be received in three (3) tranches on 30 June 2025, 31 December 2025 and 31 March 2026, which means that the entire purchase consideration for the Yichang Divestment will be received within 20 months from 5 September 2024 being the effective date of the Equity Transfer Agreement as originally provided for (the “**Proposed Deferred Payment Plan**”). As the proceeds from the Yichang Divestment are to be distributed subject to and in accordance with the terms of (a) the Supplementary Scheme entered into with the Category A Participating Creditors under the Scheme of Arrangement; and (ii) the Bilateral Settlement Deed entered with the REPS Holders, the Scheme Managers convened a meeting of the Category A Participating Creditors and the REPS Holders on 15 April 2025, where the resolution to accept the Proposed Deferred Payment Plan was approved.

3.4 Allotment and issue of Settlement Shares

The Proposed Debt Restructuring envisages the allotment and issue of Settlement Shares to the REPS Holders and the Scheme Creditors pursuant to the Bilateral Settlement and the Scheme of Arrangement respectively.

3.4.1 Settlement Shares

The issue price of S\$0.0000766¹³ per Settlement Share represents a discount of approximately 96.2% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019. The significant discount of the issue price to the aforementioned VWAP was given so as to persuade the Scheme Creditors with Approved Scheme Claims to convert their debts into equity and is in line with the Subscription Price. Please also refer to section 2.4.2 (*Subscription Shares*) of this Circular for further details regarding the basis on which the Subscription Price was determined.

The Settlement Shares, when allotted and issued, shall be duly authorised, validly issued and credited as fully paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other Existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Settlement Shares.

13

The issue price of S\$0.0000766 has been rounded to three (3) significant figures for illustration purposes from the calculated price of S\$0.00007657161129012, which has been derived by dividing the Subscription Amount of S\$13,576,000 by the Subscription Shares of 177,298,084,384.86 (with fractional entitlement to be disregarded).

LETTER TO SHAREHOLDERS

3.4.2 Issue size

The number of Settlement Shares to be allotted and issued is up to 82,229,157,781 (comprising 10,654,276,257 Bilateral Settlement Shares and 71,574,881,524 Scheme Shares), representing approximately 602.0% of the Existing Share Capital and 30.1% of the Enlarged Share Capital. Pursuant to the Proposed Share Consolidation, the total number of Settlement Shares is up to 82,229,171 (comprising 10,654,278 Bilateral Settlement Shares and 71,574,893 Scheme Shares), representing approximately 30.1% of the Consolidated Enlarged Share Capital, 17.6% of the Options Enlarged Share Capital and 14.0% of the Convertible Loan Enlarged Share Capital.

Please refer to section 8 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

3.4.3 Use of proceeds

There will not be any proceeds in cash from the Proposed Issue of Settlement Shares as the Settlement Shares are allotted and issued to settle the Group's liabilities and obligations to the REPS Holders and to set off the Scheme Debt.

3.4.4 Catalist Rules 803 and 812

The Proposed Issue of Settlement Shares to the REPS Holders and the Scheme Creditors will not result in any transfer of controlling interest in the Company.

Save as disclosed in sections 3.5 (*Allotment and issue of Settlement Shares to Ezion*), 3.6 (*Allotment and issue of Settlement Shares to Mr. Chew*) and 3.7 (*Allotment and issue of Settlement Shares to Mr. PT*) of this Circular, the Settlement Shares will not be placed to any person who is a Director or Substantial Shareholder, or any other person in the categories set out in Catalist Rule 812(1), unless specific Shareholders' approval has been obtained.

3.4.5 Authority to allot and issue the Settlement Shares

Under Section 161 of the Companies Act and pursuant to Catalist Rule 805(1), an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares, unless such shares are issued under a general mandate obtained from shareholders in a general meeting.

Separately, Catalist Rule 811(1) provides that an issue of shares must not be priced at more than a 10.0% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement was signed. Catalist Rule 811(3) provides, among others, that Catalist Rule 811(1) is not applicable if specific shareholder approval is obtained for the issue of shares.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Issue of Settlement Shares for the purposes of Catalist Rules 805(1) and 811(3).

3.4.6 No placement agent

There is no placement agent appointed for the Proposed Issue of Settlement Shares. The Proposed Issue of Settlement Shares will be made pursuant to the exemption under Section 273(1)(cb) of the SFA. Accordingly, no prospectus or offer information statement will be issued in connection with the Proposed Issue of Settlement Shares.

3.5 Allotment and issue of Settlement Shares to Ezion

3.5.1 Principal terms, rationale and issue size

LETTER TO SHAREHOLDERS

Please refer to sections 3.1 (*Background to, rationale for and benefits of the Proposed Debt Restructuring*) and 3.3.1 (*Principal terms of the Scheme of Arrangement*) of this Circular for further details on the Settlement Shares. Specifically, the allotment and issue of Settlement Shares to Ezion is largely in relation to the settlement of outstanding amounts owed to Ezion by the Group pursuant to (a) shareholder's loan advanced to the Company (b) interest payable on the shareholder's loan and (c) management fees payable on services rendered by Ezion.

Under the Proposed Issue of Settlement Shares to Ezion, the Company will allot and issue 38,292,882,256 Settlement Shares to Ezion. Such Settlement Shares represent approximately 280.3% of the Existing Share Capital and 14.0% of the Enlarged Share Capital. Pursuant to the Proposed Share Consolidation, the total number of Settlement Shares to be issued to Ezion is 38,292,883, representing approximately 14.0% of the Consolidated Enlarged Share Capital, 8.2% of the Options Enlarged Share Capital and 6.5% of the Convertible Loan Enlarged Share Capital.

3.5.2 Interested person transaction under Chapter 9 of the Catalyst Rules

(a) *Interested person*

Ezion is a Controlling Shareholder, with 39.99% shareholding interest in the Company as at the Latest Practicable Date. Accordingly, it is an "interested person" and the allotment and issue of Settlement Shares to Ezion is an "interested person transaction" under Chapter 9 of the Catalyst Rules.

(b) *Computation of thresholds*

Pursuant to Catalyst Rule 909, the Company considers the value at risk to the Group for the Proposed Issue of Settlement Shares to Ezion to be S\$2,932,148, based on the number of Settlement Shares to be issued to Ezion and the issue price of each Settlement Share at S\$0.0007657161129012.

(c) *Independent Shareholders' approval*

Based on the latest audited consolidated financial information of the Group for the financial year ended 31 December 2024, the NTL of the Group was approximately US\$50,906,000 (approximately S\$69,110,000), such value at risk represents approximately 4.2% of the Group's NTL of the Group for the financial year ended 31 December 2024.

As the Group has net tangible liabilities, the Company will be seeking Independent Shareholders' approval at the EGM for the Proposed Issue of Settlement Shares to Ezion pursuant to Chapter 9 of the Catalyst Rules.

(d) *Total value of interested person transactions for the financial year ending 31 December 2025*

As at the Latest Practicable Date, save for the transactions as described in this Circular, there are no other transactions entered into with Ezion.

3.5.3 Authority to allot and issue Settlement Shares to Ezion

In addition to the above, Ezion is a person who falls within the categories set out in Catalyst Rule 812(1) as at the Latest Practicable Date. Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Issue of Settlement Shares to Ezion pursuant to Catalyst Rule 812(2).

3.5.4 Abstention from voting

Pursuant to Catalyst Rules 812(2) and 919, Ezion and its Associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Ordinary Resolution to approve the Proposed Issue of Settlement Shares to Ezion.

LETTER TO SHAREHOLDERS

3.6 Allotment and issue of Settlement Shares to Mr. Chew

3.6.1 Principal terms, rationale and issue size

Please refer to sections 3.1 (*Background to, rationale for and benefits of the Proposed Debt Restructuring*) and 3.3.1 (*Principal terms of the Scheme of Arrangement*) of this Circular for further details on the Settlement Shares. Specifically, the allotment and issue of Settlement Shares to Mr. Chew is in relation to the settlement of outstanding amounts owed to Mr. Chew by the Group for director's fees.

Under the Proposed Issue of Settlement Shares to Mr. Chew, the Company will allot and issue 75,484,934 Settlement Shares to Mr. Chew. Such Settlement Shares represent approximately 0.55% of the Existing Share Capital and 0.03% of the Enlarged Share Capital. Pursuant to the Proposed Share Consolidation, the total number of Settlement Shares to be issued to Mr. Chew is 75,485, representing approximately 0.03% of the Consolidated Enlarged Share Capital, 0.02% of the Options Enlarged Share Capital and 0.01% of the Convertible Loan Enlarged Share Capital.

3.6.2 Interested person transaction under Chapter 9 of the Catalyst Rules

(a) *Interested person*

Mr. Chew is a Director as at the Latest Practicable Date. Accordingly, he is an "interested person" and the allotment and issue of Settlement Shares to Mr. Chew is an "interested person transaction" under Chapter 9 of the Catalyst Rules.

(b) *Computation of thresholds*

Pursuant to Catalyst Rule 909, the Company considers the value at risk to the Group for the Proposed Issue of Settlement Shares to Mr. Chew to be S\$5,780, based on the number of Settlement Shares to be issued to Mr. Chew and the issue price of each Settlement Share at S\$0.0007657161129012.

(c) *Independent Shareholders' approval*

Based on the latest audited consolidated financial information of the Group for the financial year ended 31 December 2024, the NTL of the Group was approximately US\$50,906,000 (approximately S\$69,110,000) and such value at risk represents approximately 0.01% of the Group's NTL of the Group for the financial year ended 31 December 2024.

As the Group has net tangible liabilities, the Company will be seeking Independent Shareholders' approval at the EGM for the Proposed Issue of Settlement Shares to Mr. Chew pursuant to Chapter 9 of the Catalyst Rules.

(d) *Total value of interested person transactions for the financial year ending 31 December 2025*

As at the Latest Practicable Date, save for director's fee paid to Mr. Chew and the transactions as described in this Circular, there are no other transactions entered into with Mr. Chew.

3.6.3 Authority to allot and issue Settlement Shares to Mr. Chew

In addition to the above, under Catalyst Rule 804, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalyst Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in a general meeting have approved the specific allotment. Further, Mr. Chew is a person who falls within the categories set out in Catalyst Rule 812(1) as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Issue of Settlement Shares to Mr. Chew pursuant to Catalist Rules 804 and 812(2).

3.6.4 Abstention from voting

Pursuant to Catalist Rules 804, 812(2) and 919, Mr. Chew and his Associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Ordinary Resolution to approve the Proposed Issue of Settlement Shares to Mr. Chew.

3.7 Allotment and issue of Settlement Shares to Mr. PT

3.7.1 Principal terms, rationale and issue size

Please refer to sections 3.1 (*Background to, rationale for and benefits of the Proposed Debt Restructuring*) and 3.3.1 (*Principal terms of the Scheme of Arrangement*) of this Circular for further details on the Settlement Shares. Specifically, the allotment and issue of Settlement Shares to Mr. PT is in relation to the settlement of outstanding amounts owed to Mr. PT by the Group pursuant to (a) distributions and the face value on PERPS in the Company held by Mr. PT and (b) outstanding accrued interest under loans previously extended by Mr. PT.

Under the Proposed Issue of Settlement Shares, the Company will allot and issue 13,972,732,908 Settlement Shares to Mr. PT. Such Settlement Shares represent approximately 102.3% of the Existing Share Capital and 5.1% of the Enlarged Share Capital. Pursuant to the Proposed Share Consolidation, the total number of Settlement Shares to be issued to Mr. PT is 13,972,734, representing approximately 5.1% of the Consolidated Enlarged Share Capital, 3.0% of the Options Enlarged Share Capital and 2.4% of the Convertible Loan Enlarged Share Capital.

3.7.2 Authority to allot and issue Settlement Shares to Mr. PT

As Mr. PT is a Substantial Shareholder with 7.3% shareholding interest in the Company as at the Latest Practicable Date, who falls within the categories set out in Catalist Rule 812(1) as at the Latest Practicable Date, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Issue of Settlement Shares to Mr. PT pursuant to Catalist Rule 812(2).

3.7.3 Abstention from voting

Pursuant to Catalist Rule 812(2), Mr. PT and his Associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Ordinary Resolution to approve the Proposed Issue of Settlement Shares to Mr. PT.

4. THE PROPOSED TRANSFER OF CONTROLLING INTEREST

Catalist Rule 803 provides that an issuer must not issue securities to transfer a controlling interest without prior approval by Shareholders in a general meeting. Under the Catalist Rules, a Controlling Shareholder is defined as a person who (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding any Shares held in treasury) in the Company, or (b) in fact exercises control over the Company.

As at the Latest Practicable Date, the Subscriber does not own any Shares. Upon the issue of the respective securities to the Subscriber, the Subscriber will hold varying number of Shares depending on the various scenarios as illustrated below:

- (a) 177,298,084,384 Shares representing approximately 64.9% of the Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription

LETTER TO SHAREHOLDERS

Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares) and the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) but prior to the completion of the Proposed Share Consolidation and assuming that none of the Options are exercised and there is no conversion of any principal amount of the Proposed Convertible Loan;

- (b) 177,298,085 Shares representing approximately 64.9% of the Consolidated Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares), the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) and the Proposed Share Consolidation and assuming that none of the Options are exercised and there is no conversion of any principal amount of the Proposed Convertible Loan;
- (c) 370,715,889 Shares representing approximately 79.4% of the Options Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares), the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) and the Proposed Share Consolidation and assuming the exercise of all Options by the Subscriber but there is no conversion of any principal amount of the Proposed Convertible Loan; and
- (d) 492,509,239 Shares representing approximately 83.7% of the Convertible Loan Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares), the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) and the Proposed Share Consolidation and assuming the exercise of all Options by the Subscriber and the full conversion of the principal amount of the Proposed Convertible Loan (resulting in the allotment and issue of the Conversion Shares).

As the Subscriber will hold more than 15.0% of the Enlarged Share Capital, thereby causing a transfer in controlling interest, the Company is seeking the specific approval of Shareholders for the Proposed Transfer of Controlling Interest in accordance with Catalyst Rule 803.

As at the Latest Practicable Date, the Subscriber, its directors and shareholders do not hold, directly or indirectly, any Shares in the Company. The Subscriber, its directors and shareholders (a) have no existing connection (including business relationships) with the Company and its Directors; and (b) are not persons to whom the Company is prohibited from issuing Shares to, as set out under Catalyst Rule 812. For completeness, the Subscriber had engaged Lee & Lee for the L&L Transaction. Mr. Owyong Thian Soo, an Independent and Non-Executive Director of the Company, is the Head of the Real Estate & Property Department of Lee & Lee. Mr. Owyong Thian Soo is not the partner handling the L&L Transaction and the L&L Transaction is handled by another senior partner of Lee & Lee. Save for the L&L Transaction, (a) the Subscriber has had no other dealings with any of the Directors of the Company; and (b) the Subscriber has had no other transactions or engagements with Lee & Lee in the past 12 months prior to the Latest Practicable Date.

In addition, the Subscriber has confirmed that there is no agreement or undertaking (whether formal or informal) with any existing Shareholder to acquire Shares to obtain or consolidate majority control of the Company, and the Subscriber is not a party acting or presumed to be acting in concert with any Existing Shareholder, as at the Latest Practicable Date.

Please refer to section 8 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

5. THE PROPOSED WHITEWASH RESOLUTION

5.1 Mandatory offer obligation under the Takeover Code

Pursuant to Rule 14.1 of the Takeover Code, except with the SIC's consent, where any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting or presumed to be acting in concert with it) carry 30.0% or more of the voting rights of a company, such person will be required to make a mandatory general offer for all the shares not already owned or controlled by them.

As at the Latest Practicable Date, the Subscriber and parties acting or presumed to be acting in concert with it do not own any Shares. The Subscriber will hold:

- (a) 177,298,084,384 Shares representing approximately 64.9% of the Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares) and the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) but prior to the completion of the Proposed Share Consolidation and assuming that none of the Options are exercised and there is no conversion of any principal amount of the Proposed Convertible Loan;
- (b) 177,298,085 Shares representing approximately 64.9% of the Consolidated Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares), the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) and the Proposed Share Consolidation and assuming that none of the Options are exercised and there is no conversion of any principal amount of the Proposed Convertible Loan;
- (c) 370,715,889 Shares representing approximately 79.4% of the Options Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares), the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) and the Proposed Share Consolidation and assuming the exercise of all Options by the Subscriber but there is no conversion of any principal amount of the Proposed Convertible Loan; and
- (d) 492,509,239 Shares representing approximately 83.7% of the Convertible Loan Enlarged Share Capital pursuant to the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares), the Proposed Grant of Options (resulting in the grant of the Options), the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares), the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) and the Proposed Share Consolidation and assuming the exercise of all Options by the Subscriber and the full conversion of the principal amount of the Proposed Convertible Loan.

Accordingly, the Subscriber will be required under the Takeover Code to make a mandatory general offer for the Shares not already owned or controlled by the Subscriber and parties acting or presumed to be acting in concert with it pursuant to Rule 14.1 of the Takeover Code, unless such obligation is waived by the SIC and the Proposed Whitewash Resolution is approved by the Independent Shareholders at the EGM.

As there is no intention to trigger a mandatory take-over obligation under the Takeover Code arising from the completion of the Proposed Subscriber Transactions, an application was made to the SIC for a waiver of the obligations of the Subscriber to make a mandatory general offer for the Shares under Rule 14.1 of the Takeover Code as a result of the allotment and issue of the (a) Subscription Shares; (b) Option Shares pursuant to the exercise of all Options granted to the Subscriber; and (c) Conversion Shares pursuant to the full conversion of the principal amount of the Proposed Convertible Loan.

LETTER TO SHAREHOLDERS

5.2 Whitewash Waiver

The SIC had on 2 May 2025, waived the obligation of the Subscriber to make a mandatory offer for the Company under Rule 14 of the Takeover Code incurred as a result of the Subscriber's subscription of the Subscription Shares (the "**Whitewash Waiver**"), subject to the satisfaction of the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Subscription Shares, to the Subscriber, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Subscriber;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;
- (c) the Subscriber, parties acting in concert with them and parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (d) the Subscriber and its concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular to the Shareholders):
 - (i) during the period between the date of the initial announcement of the execution of the CSA (the "**Initial Announcement Date**") and the date Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the six (6) months prior to the Initial Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Subscriber Transactions, including the allotment and issue of the Subscription Shares;
- (e) the Company appoints an independent financial adviser to advise the independent Shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in this Circular:
 - (i) details of the Proposed Subscriber Transactions, and the allotment and issue of the (a) Subscription Shares; (b) the Options by the Subscriber; and (c) the Proposed Convertible Loan;
 - (ii) the dilution effect to existing holders of voting rights of the Company upon the allotment and issue of the (a) Subscription Shares; (b) Option Shares to the Subscriber pursuant to the exercise of all the Options by the Subscriber; and (c) Conversion Shares pursuant to the full conversion of the Proposed Convertible Loan;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and option in respect of Shares held by the Subscriber and its concert parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by the Subscriber upon the allotment and issue of the (a) Subscription Shares; (b) Option Shares to the Subscriber pursuant to the exercise of all the Options by the Subscriber; and (c) Conversion Shares pursuant to the full conversion of the Convertible Loan;
 - (v) specific and prominent reference to the fact that:

LETTER TO SHAREHOLDERS

- (1) the Subscriber and its concert parties will hold in aggregate Shares carrying over 49% of the voting rights of the Company as a result of the allotment and issue of the Subscription Shares, and that the Subscriber will be free to acquire further Shares without incurring any obligation under Rule 14 of the Takeover Code to make a general offer; and
- (2) the Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Subscriber at the highest price paid by the Subscriber and parties acting in concert with it for the Shares in the past six (6) months preceding the Initial Announcement Date;
- (g) this Circular states that the Whitewash Waiver granted by SIC to the Subscriber from the requirement to make a general offer under Rule 14 is subject to the conditions stated at sub-paragraphs (a) to (f) above;
- (h) the Subscriber obtains SIC's approval in advance for those parts of this Circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution:
 - (i) the approval of the Proposed Whitewash Resolution must be obtained within three (3) months of the date of the approval from SIC; and
 - (ii) the allotment and issue of the Subscription Shares must be completed within three (3) months of the approval of the Proposed Whitewash Resolution.

As at the Latest Practicable Date, save for the condition set out in sub-paragraph (a) above, all of the other conditions of the Whitewash Waiver as set by SIC have been satisfied.

5.3 Potential dilution

Based on the information available as at the Latest Practicable Date, the table below sets out the shareholding of the Independent Shareholders (for the purposes of the Proposed Whitewash Resolution) as at the Latest Practicable Date, based upon the Enlarged Share Capital, the Options Enlarged Share Capital and the Convertible Loan Enlarged Share Capital. For the avoidance of doubt, no other Shares issued are taken into consideration for the computation below:

	Enlarged Share Capital		Options Enlarged Share Capital		Convertible Loan Enlarged Share Capital	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Subscriber	177,298,084,384	64.9	370,715,889	79.4	492,509,239	83.7
Independent Shareholders (for the purposes of the Proposed Whitewash Resolution)	95,888,486,316	35.1	95,890,903	20.6	95,890,903	16.3
Total	273,186,570,700	100.0	466,606,792	100.0	588,400,142	100.0

Please refer to section 8 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

5.4 Proposed Whitewash Resolution

Independent Shareholders (for the purposes of the Proposed Whitewash Resolution) are requested to vote, by way of a poll, on the Proposed Whitewash Resolution set out as an ordinary resolution in the Notice of EGM, waiving their rights to receive a mandatory general offer from the Subscriber for the remaining Shares not already owned or controlled by the Subscriber or its concert parties.

LETTER TO SHAREHOLDERS

5.5 Advice to Independent Shareholders (for the purposes of the Proposed Whitewash Resolution)

Independent Shareholders (for the purposes of the Proposed Whitewash Resolution) should note that:

- (a) upon the allotment and issue of Subscription Shares to the Subscriber, the Subscriber and parties acting or presumed to be acting in concert with it will hold in aggregate Shares carrying over 49% of the voting rights of the Company, and that the Subscriber will be free to acquire further Shares without incurring any obligation under Rule 14 of the Takeover Code to make a general offer;
- (b) by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a mandatory general offer from the Subscriber for the Shares at the highest price paid by the Subscriber and parties acting or presumed to be acting in concert with it for the Shares in the six (6) months preceding the Initial Announcement Date;
- (c) by voting in favour of the Proposed Whitewash Resolution, they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Subscription Shares, the Option Shares and the Conversion Shares; and
- (d) approval of the Proposed Whitewash Resolution is a condition precedent to the Proposed Subscriber Transactions. Accordingly, in the event that the Proposed Whitewash Resolution is not passed by the Independent Shareholders (for the purposes of the Proposed Whitewash Resolution), the Proposed Subscriber Transactions will not take place.

6. INDEPENDENT FINANCIAL ADVISER

6.1 Appointment of IFA

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Independent Directors for the Proposed Issue of Settlement Shares to Interested Persons and for the Proposed Whitewash Resolution, respectively, on:

- (a) whether the Proposed Issue of Settlement Shares to Interested Persons (and all other transactions which are the subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 906 of the Catalist Rules) are on normal commercial terms, and whether the Proposed Issue of Settlement Shares to Interested Persons (and all other transactions which are the subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 906 of the Catalist Rules) are prejudicial to the interests of the Company and its minority shareholders; and
- (b) whether the terms of the Proposed Subscription which are, collectively the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the recommendation to be made by the Board to the Independent Shareholders (for the purposes of the Proposed Whitewash Resolution) in respect of the Proposed Whitewash Resolution.

Shareholders should consider carefully the recommendation of the Independent Directors for the Proposed Issue of Settlement Shares to Interested Persons and for the Proposed Whitewash Resolution, respectively and the opinion and advice of the IFA before deciding whether or not to vote in favour of Ordinary Resolutions 1, 2 and 3 being the ordinary resolutions relating to the Proposed Subscriber Transactions, Ordinary Resolutions 5 and 6 being the ordinary resolutions relating to the Proposed Issue of Settlement Shares to Interested Persons and Ordinary Resolution 9 being the Proposed Whitewash Resolution, to be tabled at the EGM. The opinion and advice of the IFA is set out in the IFA Letter as set out in **Appendix D (IFA Letter)** to this Circular.

6.2 Opinion and advice of IFA

Information relating to the advice of the IFA and the key factors it has taken into consideration have been extracted from paragraph 8 of the IFA Letter and are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter:

- (a) *In relation to the Proposed Issue of Settlement Shares to Interested Persons*

“8.2 THE PROPOSED ISSUE OF SETTLEMENT SHARES TO INTERESTED PERSONS

We set out below a summary of the key factors we have taken into our consideration:

- (a) *the Group had obtained Shareholders' approval in 2020 in respect of the loans obtained by the Group from Ezion since 2016;*
- (b) *the recovery percentage of the amounts due to Ezion and Mr. Chew are in line with other Category A Scheme Creditors;*
- (c) *the Settlement Shares, when allotted and issued, shall be duly authorised, validly issued and credited as fully paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank pari passu with all other existing Shares; and*
- (d) *other considerations set out in paragraph 7.5 of this IFA Letter.*

Accordingly, after taking into account the above factors and the information made available to as at the Latest Practicable Date, we are of the opinion that, the Proposed Issue of Settlement Shares to Ezion and the Proposed Issue of Settlement Shares to Mr. Chew are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.”

- (b) *In relation to the Proposed Whitewash Resolution*

“8.1 THE PROPOSED SUBSCRIPTION AND THE PROPOSED WHITEWASH RESOLUTION

We set out below a summary of the key factors we have taken into our consideration which supports the “fairness” of the Proposed Subscription:

- (a) *the Subscription Price represents a premium to the negative NAV per Share and a premium to the negative pro forma NAV per Share immediately upon the completion of the Proposed Debt Restructuring;*
- (b) *the implied value of the Company based on the Enlarged Share Capital is within the range of the implied values of the Precedent Comparable Transactions of between S\$2.30 million and S\$29.1 million;*
- (c) *the ordinary resolutions in relation to the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan are part of the Inter-Conditional Resolutions. We note that the implied values of the Company on based on the Options Enlarged Share Capital and the Convertible Loan Enlarged Share Capital will be higher than the range of the implied values of the Precedent Comparable Transactions;*
- (d) *excluding the P/N Ratio of Nam Cheong Limited which is identified as an outlier, the P/N Ratio based on the Enlarged Share Capital of 2.9 times is higher than the range of the P/N Ratios of the Precedent Comparable Transactions. The P/N Ratio based on the Options Enlarged Share Capital and the Convertible Loan Enlarged Share Capital of 2.2 times is within the*

LETTER TO SHAREHOLDERS

range and at the higher range of the P/N Ratios of the Precedent Comparable Transactions of between 0.6 times and 2.3 times; and

- (e) *the positive financial effects to the Group as set out in Section 9 of the Circular.*

We set out below a summary of the key factors we have taken into our consideration which supports the “reasonableness” of the Proposed Subscription:

- (i) *the Proposed Subscriber Transactions, together with the Proposed Debt Restructuring, represent the only viable option available to the Company as at the Latest Practicable Date;*
- (ii) *while the plants in Sri Lanka are expected to continue to operate smoothly and generate a positive operating cashflow (barring unforeseen circumstances), the operations in Sri Lanka are subject to vagaries of changing weather pattern and the effects of climate change. In addition, any unforeseen or unscheduled maintenance may also affect the operations and hence cash flow from the Sri Lanka mini hydro power plants; and*
- (iii) *other considerations set out in paragraph 5.7 of this IFA Letter, in particular, there will be **no residual value** remaining for Shareholders if any of the Inter-conditional Resolutions is not approved by Shareholders at the EGM as none of the Inter-conditional Resolutions will be passed.*

Accordingly, after taking into account the above factors, we are of the opinion that, as of the date hereof, the terms of the Proposed Subscription which are the subject of the Proposed Whitewash Resolution are fair and reasonable, and advise the Board to recommend that Whitewash Independent Shareholders vote FOR the Proposed Whitewash Resolution at the EGM.”

6.3 Consent from the IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter as set out in the **Appendix D** (IFA Letter) to this Circular and all references thereto and to the IFA Letter, in the form and context in which each appears in this Circular, and to act in such capacity in relation to this Circular.

7. THE PROPOSED SHARE CONSOLIDATION

7.1 Introduction

Along with the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Company will undertake the Proposed Share Consolidation, pursuant to which every 1,000 Existing Shares held by Shareholders as at the Share Consolidation Record Date will be consolidated into one (1) Consolidated Share, with any fractional entitlements to be rounded up to the nearest whole Consolidated Share.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the Register of Members and the transfer books of the Company will be closed on the Share Consolidation Record Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9:00 a.m. on the Market Day immediately following the Share Consolidation Record Date, every 1,000 Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share.

Each Consolidated Share will rank *pari passu* in all respects with each other and will be traded in board lots of 100 Consolidated Shares.

LETTER TO SHAREHOLDERS

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of Existing Shares as at the Share Consolidation Record Date for the Proposed Share Consolidation, will be rounded up to the nearest whole Consolidated Share.

As at the Latest Practicable Date, the Company's shareholding distribution is as follows:

Size of shareholdings	No. of shareholders	%	No. of existing shares (excluding any Shares held in treasury)	%
1 – 99	211	2.2%	9,845	0.0%
100 – 1,000	1,586	16.9%	848,214	0.0%
1,001 – 10,000	3,056	32.5%	11,382,974	0.1%
10,001 – 1,000,000	3,876	41.2%	915,496,000	6.7%
1,000,001 – 10,000,000	590	6.3%	1,700,518,563	12.4%
10,000,001 and above	78	0.8%	11,031,072,939	80.8%
Total	9,397	100.0%	13,659,328,535	100.0%

As at the Latest Practicable Date, there are 1,797 Shareholders who each hold up to 1,000 Shares per Shareholder, in aggregate representing 19.1% of the total number of Shareholders. The Company will be issuing one (1) Consolidated Share to each of these 1,797 Shareholders, such that they will each hold one (1) Consolidated Share following the completion of the Proposed Share Consolidation.

Upon completion of the Proposed Share Consolidation, 6,124 Shareholders will hold less than 100 Consolidated Shares (including the 1,797 Shareholders who will each hold one (1) Consolidated Share following the completion of the Proposed Share Consolidation) representing an aggregate value of approximately S\$121,338¹⁴, with an average value of approximately S\$19.81 per Shareholder and a maximum value of S\$194.67 held by one (1) Shareholder who holds 97,333 Shares before the Proposed Share Consolidation.

Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in odd lots on the SGX-ST should note that the SGX-ST's unit share market is available to allow trading in odd lots with a minimum size of one (1) Consolidated Share on the SGX-ST. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying Consolidated Shares. As odd lots of Consolidated Shares can be traded on the unit share market of the SGX-ST, no separate arrangement will be made for the trading of such odd lots. The unit share market for trading of such odd lots may be illiquid. Shareholders who hold odd lots may have to bear disproportionate transaction costs in trading their Shares and may find difficulty in realising the fair market price of such Consolidated Shares. Shareholders who wish to trade on the unit share market should contact their stockbroker, bank manager, or other professional adviser for details on trading.

As at the Latest Practicable Date, the Company has an issued and paid-up capital of S\$350,917,664 (rounded to whole number) comprising 13,659,328,535 Shares (excluding any Shares held in treasury) and save for (a) 7,299,270 outstanding REPS issued by CESH SG which were exchangeable into 523,620,521 new shares (on the assumption that there is no adjustment to the exchange price and that the distribution preference dividend is not exchangeable)¹⁵; (b) S\$9,000,000 in principal amount of PERPS which were convertible into 360,000,000 Shares (based on the assumption that there is no adjustment to the conversion price and that the distribution preference dividend is not exchangeable)¹⁶; and (c) 92,500,000 outstanding share options issued under the Company's ESOS, there are no other outstanding warrants or convertible securities issued

¹⁴ This aggregate value is calculated based on 60,669 Consolidated Shares at S\$2.00 per share.

¹⁵ Outstanding amounts owed under the REPS will be settled through the Bilateral Settlement.

¹⁶ Outstanding amounts owed under the PERPS will be settled through the Scheme of Arrangement.

LETTER TO SHAREHOLDERS

by the Company pursuant to which new Shares may be issued on exercise or conversion¹⁷. On the basis that the exercise price of the outstanding share options issued under the Company's ESOS exceeds the market trading price of the Shares as at the Latest Practicable Date, the outstanding share options are considered to be anti-dilutive and therefore, will not contribute to dilution of existing shareholders.

Assuming that the Ordinary Resolutions relating to the Proposals are approved and save for the Subscription Shares and Settlement Shares, no other new Shares are issued by the Company, the Company will have an Enlarged Share Capital of approximately S\$370,790,083 divided into 273,186,570,700 Shares. On the assumption that, save for the Subscription Shares and Settlement Shares, no other new Shares are issued by the Company (including the Option Shares and the Conversion Shares) up to the Share Consolidation Record Date and fractions of Consolidated Shares arising from the Proposed Share Consolidation are rounded up to the nearest whole Consolidated Share, and subject to Shareholders' approval being obtained for the Ordinary Resolutions relating to the Proposals, the Company will have an enlarged issued share capital of approximately S\$370,790,083¹⁸ divided into approximately 273,188,988 Consolidated Shares (excluding any Shares held in treasury), following the completion of the Proposed Share Consolidation. The total number of Consolidated Shares are calculated as follows:

	Number of Consolidated Shares
No. of Existing Shares prior to Proposed Share Consolidation	13,659,328,535
No. of Existing Shares post-Proposed Share Consolidation, on the basis of 1,000 Shares to one (1) Consolidated Share, and any fractional entitlements will be rounded up to the nearest whole Consolidated Share	13,661,732
No. of Subscription Shares prior to Proposed Share Consolidation	177,298,084,384
No. of Subscription Shares post-Proposed Share Consolidation, on the basis of 1,000 Shares to one (1) Consolidated Share, and any fractional entitlements will be rounded up to the nearest whole Consolidated Share	177,298,085
No. of Settlement Shares prior to Proposed Share Consolidation	82,229,157,781
No. of Settlement Shares post-Proposed Share Consolidation, on the basis of 1,000 Shares to one (1) Consolidated Share, and any fractional entitlements will be rounded up to the nearest whole Consolidated Share	82,229,171
No. of Shares (including existing Shares, Subscription Shares and Settlement Shares) prior to Proposed Share Consolidation	273,186,570,700
No. of Shares (including existing Shares, Subscription Shares and Settlement Shares) post-Proposed Share Consolidation, on the basis of 1,000 Shares to one (1) Consolidated Share, and any fractional entitlements will be rounded up to the nearest whole Consolidated Share	273,188,988
No. of additional Shares post-Proposed Share Consolidation, on the basis of allotment of one (1) Consolidated Share, to each Shareholder who would otherwise hold a fraction of a Consolidated Share	2,403

¹⁷ Based on the terms and conditions of the ESOS, the adjusted exercise price of the outstanding share options would be 47,500 share options at S\$9.00 and 45,000 share options at S\$6.00, respectively. On the basis that the exercise prices of the outstanding share options issued under the Company's ESOS exceed the market trading price of the Shares as at the Latest Practicable Date, the outstanding share options are considered to be anti-dilutive and therefore, will not contribute to dilution of the Shareholders.

¹⁸ This Enlarged Share Capital is calculated based on: (a) existing Share Capital of approximately S\$350,917,664; (b) the allotment and issue of the Settlement Shares of approximately S\$6,296,419; and (c) the allotment and issue of the Subscription Shares of approximately S\$13,576,000.

LETTER TO SHAREHOLDERS

	Number of Consolidated Shares
No. of Shares issued to Shareholders, on the basis of allotment of one (1) Consolidated Share to each Shareholder who would otherwise be entitled to nil Consolidated Shares	1,702

In addition, the Proposed Share Consolidation will constitute an event giving rise to adjustments:

- (a) to the number of Options granted to the Subscriber and the Exercise Price payable for each Option Share on the exercise of the Options. Following completion of the Proposed Share Consolidation, the Subscriber will have 193,417,804 Options, with the new Exercise Price being S\$0.084 per Option; and
- (b) to the Conversion Price. Following completion of the Proposed Share Consolidation, the new Conversion Price will be S\$0.0842 per Conversion Share.

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company and has no effect on the equity of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation is not expected to cause any material changes to the percentage shareholding of each Shareholder, other than changes due to rounding.

7.2 Rationale for the Proposed Share Consolidation

The Proposed Share Consolidation is to be undertaken in connection with the Proposed Subscriber Transactions and the Proposed Debt Restructuring, so as to satisfy the minimum trading price on the Catalist of the SGX-ST of S\$0.001 because without the Proposed Share Consolidation, the Subscription Price and the issue price for Settlement Shares of S\$0.0000766 and the Option Price and Conversion Price of S\$0.0000842, will be below the minimum trading price of S\$0.001.

The proposed consolidation ratio of 1,000:1 was derived having taken into consideration:

- (a) *Increase in market interest and attractiveness of the Company and the Consolidated Shares*

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding¹⁹. It is expected that, all other things being equal, the theoretical trading price and NTA of each Consolidated Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation would be higher than the current trading price and NTA of each Existing Share.

In addition, the Proposed Share Consolidation may facilitate corporate actions and also increase market interest and activity in the Consolidated Shares, and generally make the Consolidated Shares more attractive to investors, including institutional investors and coverage of the Company amongst research houses and fund managers, thus providing a more diverse shareholder base, liquidity and exposure for strong corporate brand value.

- (b) *Potential reduction of fluctuation in magnitude of the Company's market capitalisation and reduction of percentage transaction cost for trading in each board lot of Consolidated Shares*

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in shares which are priced low may translate to higher transaction costs, relative to the trading price, for each board lot of shares. In addition, shares which are priced low are generally more prone to speculation and market manipulation, which may result in excessive share price volatility.

¹⁹ For the avoidance of doubt, given that the Proposed Share Consolidation will be completed after the allotment and issue of the Subscription Shares and Settlement Shares, the grant of the Options, and the entry into the Convertible Loan Agreement, each of these aforementioned securities will be subject to the Proposed Share Consolidation, and will be adjusted accordingly.

LETTER TO SHAREHOLDERS

The Board therefore believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its share price and reduce fluctuations in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares. Eventually, barring any unforeseen circumstances, this is expected to enhance trading liquidity of the Shares.

Shareholders should note however that there can be no assurance that the Proposed Share Consolidation will achieve the aforesaid desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

7.3 Conditions

Shareholders should note that the implementation of the Proposed Share Consolidation at the proposed share consolidation ratio is subject to Shareholders' approval for the Proposed Share Consolidation, the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest and the Proposed Whitewash Resolution. Shareholders should refer to section 1.8 (*Conditionality of resolutions*) of this Circular for further details on the inter-conditionality of the resolutions contained in this Circular.

An additional listing application will be made through the Sponsor to the SGX-ST, for the dealing in, listing of and quotation for, among others, the Consolidated Shares on the Catalist. The listing and quotation notice for the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares and the Consolidated Shares, if issued by SGX-ST, is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Share Consolidation, the Subscription Shares, the Option Shares, the Conversion Shares, the Settlement Shares, the Consolidated Shares, the Company and/or its subsidiaries. Assuming that the abovementioned approvals are duly obtained, the Directors will fix the Share Consolidation Record Date and the Share Consolidation Effective Trading Date at such date and time as they deem appropriate in the interests of the Company and its Shareholders, and an announcement will be made by the Company to notify Shareholders of the Share Consolidation Record Date and the Share Consolidation Effective Trading Date in due course.

7.4 Administrative procedures

7.4.1 Updating of Register of Members and Depository Register

After Shareholders' approval has been obtained for the Proposed Share Consolidation at the EGM, Shareholders' entitlements of the Consolidated Shares will be determined on the Share Consolidation Record Date, whereupon the Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares to be held by Shareholders (or depositors, as the case may be) based on their shareholdings in the Company as at the Share Consolidation Record Date.

7.4.2 Deposit of share certificates with CDP

Shareholders who hold physical share certificates for the Existing Shares (the "**Old Share Certificates**") in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than 12 Market Days before the Share Consolidation Record Date.

After the Share Consolidation Record Date, CDP will only accept the deposit of the New Share Certificates. Shareholders who wish to deposit their New Share Certificates with CDP after the Share Consolidation Record Date must first deliver their Old Share Certificates to the Company's Share Registrar and Share Transfer Agent, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619, for cancellation and issuance of New Share Certificates in replacement thereof as described below.

LETTER TO SHAREHOLDERS

7.4.3 Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least 12 Market Days prior to the Share Consolidation Record Date need not take any action. The Company will arrange with CDP to facilitate the exchange of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited or who do not wish to deposit their Old Share Certificates with CDP, the Company will cancel all Old Share Certificates relating to the Shares in issue as at the Share Consolidation Record Date. Upon such cancellation, the Company will issue New Share Certificates to the Shareholders with Shares registered in their names in the Register of Members of the Company pursuant to the Proposed Share Consolidation.

The Old Share Certificates shall be void and will cease to have any effect or be valid for any purpose. To facilitate destruction of the Old Share Certificates, Shareholders with Shares registered in their names in the Register of Members of the Company as at the Share Consolidation Record Date are encouraged to return to their Old Share Certificates in respect of such Shares after the announcement of the Share Consolidation Record date by the Company. However, whether or not the Old Share Certificates in respect of such Shares are delivered to the Share Registrar and Share Transfer Agent, the Old Share Certificates shall be cancelled and New Share Certificates will be issued to such Shareholders pursuant to the Proposed Share Consolidation. The new share certificates will be sent to them at their own risk by ordinary post within 10 Market Days from the Share Consolidation Record Date.

No receipt will be issued by the Company's Share Registrar and Share Transfer Agent for the receipt of the Old Share Certificates tendered. Please notify the Company's Share Registrar and Share Transfer Agent, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619, if there is any change in your address from that reflected in the Register of Members of the Company.

7.4.4 Share certificates not valid for settlement of trades on the Catalist of the SGX-ST

The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title to the Consolidated Shares.

7.5 **Trading arrangements for the Consolidated Shares and odd lots**

7.5.1 Trading arrangements for the Consolidated Shares

Subject to the approval of Shareholders for the Share Consolidation Resolution at the EGM, with effect from 9:00 a.m. on the Share Consolidation Effective Trading Date, trading in the Consolidated Shares on the Catalist of the SGX-ST will be in board lots of 100 Consolidated Shares. Accordingly, every 1,000 Shares as at 5:00 p.m. on the Market Day immediately preceding the Share Consolidation Effective Trading Date will represent one (1) Consolidated Share with effect from 9:00 a.m. on the Share Consolidation Effective Trading Date. Trading in the Shares on the Catalist of the SGX-ST will cease after 5:00 p.m. on the Market Day immediately preceding the Share Consolidation Effective Trading Date.

7.5.2 Fractional entitlements and trading arrangements for odd lots

No fractional entitlements will arise from the implementation of the Proposed Share Consolidation as the Company will be rounding up the number of Consolidated Shares which Shareholders will be entitled to pursuant to the Proposed Share Consolidation to the nearest whole Consolidated Share.

The Existing Shares are currently traded in board lots of 100 Existing Shares on the Catalist of the SGX-ST. After the completion of the Proposed Share Consolidation, the Securities Accounts maintained

LETTER TO SHAREHOLDERS

with CDP of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares).

Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in such odd lots may trade with a minimum size of one (1) Consolidated Share on the SGX-ST Unit Share Market. The SGX-ST Unit Share Market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares. As odd lots of Consolidated Shares may be traded on the SGX-ST Unit Share Market, no separate arrangement will be made for the trading of such odd lots.

Shareholders should note that the market for trading of such odd lots of Consolidated Shares may be illiquid and they may have to bear disproportionate transaction costs in trading their Consolidated Shares on the SGX-ST Unit Share Market. Shareholders who wish to trade their Consolidated Shares on the SGX-ST Unit Share Market should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

7.6 Financial Effects of the Proposed Share Consolidation

Please refer to section 9 (*Consolidated Financial Effects*) of this Circular for further details on the financial effects of, among others, the Proposed Share Consolidation.

As the Company's Shares have been suspended since 4 February 2019, the following table sets out the highest and lowest transacted prices of the Shares, and the volumes of Shares transacted, on the Catalist of the SGX-ST for the period from 1 August 2018 up to and including 4 February 2019:

	Share price ⁽¹⁾		Share volume ⁽¹⁾
	Highest price ⁽¹⁾	Lowest price ⁽¹⁾	
August 2018	S\$0.003	S\$0.001	22,317,400
September 2018	S\$0.003	S\$0.001	4,510,800
October 2018	S\$0.003	S\$0.001	27,459,700
November 2018	S\$0.003	S\$0.001	11,516,200
December 2018	S\$0.002	S\$0.001	1,273,100
January 2019	S\$0.003	S\$0.001	87,039,500
1 February 2019 up to and including 4 February 2019	-	-	-

Note:

- (1) The highest and lowest transacted prices of the Shares, and the volumes of Shares transacted, have been extracted from S&P Capital IQ. In respect of such extracted information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the accurate and correct extraction and reproduction in this Circular in the form and context that such information is being disclosed in this Circular.

The following table also sets out the effects on the six (6)-months VWAP from the date of the trading suspension on 4 February 2019:

	Six (6)-months total value of Shares traded (S\$)	Six (6)-months total volume of Shares traded (No. of Shares)	Six (6)-months VWAP per Share (S\$) ⁽¹⁾
Before Proposed Share Consolidation	S\$377,128	154,116,700	S\$0.002
After Proposed Share Consolidation	S\$377,128	154,163	S\$2.446

Note:

- (1) The six (6)-months VWAP per Share is computed by dividing six (6) months' total value of shares by six (6)-months' total volume of Shares traded, rounded to the nearest three (3) decimal places.

LETTER TO SHAREHOLDERS

7.7 Adjustments to securities pursuant to the Proposed Share Consolidation

In addition, as the Proposed Share Consolidation constitutes an event giving rise to adjustments to the number of Options granted to the Subscriber and the Exercise Price payable for the exercise of each Option, the following table sets out the details of such adjustments required in relation to the number of Options granted to the Subscriber and the Exercise Price payable for the exercise of each Option pursuant to the terms and conditions of the Options:

Formula for adjustment for the Proposed Share Consolidation :

$$\text{New Exercise Price} = \frac{Q}{R} \times P$$
$$\text{Adjusted number of Options} = \frac{R}{Q} \times W$$

where:

Q = the aggregate number of issued and fully paid-up Shares immediately before share split, consolidation, reclassification or subdivision;

R = the total Shares outstanding post share split, consolidation, reclassification or subdivision;

P = existing Exercise Price; and

W = existing number of Options held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the share split, consolidation, reclassification or subdivision becomes effective.

Number of adjusted Options :

$$\frac{273,188,988}{273,186,570,700} \times 193,416,092,056 = 193,417,804$$

New Exercise Price for Exercise Period (rounded to three (3) decimal places)²⁰ :

$$\frac{273,186,570,700}{273,183,988} \times 0.0000842^{21} = 0.084$$

Identity of reviewer : CLA Global TS Public Accounting Corporation.

Further, as the Proposed Share Consolidation constitutes an event giving rise to adjustment to the Conversion Price, the following sets out the details of the adjustment required to the Conversion Price pursuant to the terms and conditions of the Convertible Loan Agreement:

²⁰ This New Exercise Price of S\$0.084 has been rounded to three (3) decimal places from \$0.0842 in accordance with Clause 4.5 of the CSA.

²¹ This existing Exercise Price of S\$0.0000842 has been rounded to three (3) significant figures for illustration purposes from the calculated price of S\$0.00008422877241913, which has been derived at a 10% premium over the Subscription Price of S\$0.00007657161129012.

LETTER TO SHAREHOLDERS

Formula for adjustment for the Proposed Share Consolidation :
New Conversion Price = $\frac{Q}{R} \times P$
where:

Q = the aggregate number of issued and fully paid-up Shares immediately before share consolidation or subdivision;

R = the total Shares outstanding post share consolidation or subdivision; and

P = existing Conversion Price.

Such adjustments will be effective from the close of the Business Day immediately preceding the date on which the share split, consolidation, reclassification or subdivision becomes effective.

New Conversion Price : $\frac{273,186,570,700}{273,183,988} \times 0.0000842 = 0.0842$
(rounded to 4 decimal places)²²

Identity of reviewer : CLA Global TS Public Accounting Corporation.

7.8 Share Consolidation Record Date

Subject to the approval of Shareholders for the Share Consolidation Resolution at the EGM, the Directors will fix the Share Consolidation Record Date and the Share Consolidation Effective Trading Date at such time and on such date as they may deem fit in the interests of the Company. An announcement will be made by the Company to notify Shareholders of the Share Consolidation Record Date and the Share Consolidation Effective Trading Date in due course.

8. INDICATIVE SHAREHOLDING INTERESTS

Please refer to **Appendix A** (*Changes in Shareholding Interests*) to this Circular for indicative shareholding interests of the Directors, Substantial Shareholders, the Subscribers, the Scheme Creditors and other Shareholders pursuant to the transactions as contemplated in this Circular.

Save as disclosed in this Circular, none of the Directors, the Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the Proposals, other than through their respective directorships and/or shareholdings in the Company.

9. CONSOLIDATED FINANCIAL EFFECTS

9.1 Bases and assumptions

The unaudited pro forma consolidated financial information of the Group has been prepared by the management of the Company for illustrative purposes only and is based on certain assumptions, after making certain adjustments on the latest audited financial information of the Group for the financial year ended 31 December 2024, as if the certain significant events had taken place on or before 31 December 2024:

- (a) “**Significant Events A**” sets out the significant events that will occur upon:
- (i) the approval of the Resumption Proposal by the SGX-ST being obtained;
 - (ii) the approvals for all of the Proposals being obtained at the EGM; and

LETTER TO SHAREHOLDERS

- (iii) the completion of the (1) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (2) Proposed Grant of Options (resulting in the grant of the Options); (3) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (4) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect); and (5) Proposed Share Consolidation; and
- (b) **“Significant Events B”** sets out the significant events (after Significant Events A) that will occur upon:
 - (i) the exercise of all the Options by the Subscriber (such number of Option Shares to be allotted and issued as adjusted for the Proposed Share Consolidation in accordance with the terms and conditions of the Options under the CSA); and
 - (ii) the full conversion of the principal amount of the Proposed Convertible Loan (such number of Conversion Shares to be allotted and issued as adjusted for the Proposed Share Consolidation in accordance with the terms and conditions of the Proposed Convertible Loan).

9.2 Share capital

	Audited	Pro forma	
	FY2024	After Significant Events A	After Significant Events B
Number of Shares	13,659,328,535	273,188,988	588,400,142

9.3 Earnings / Losses per Share (EPS / (LPS))

Assuming that the Significant Events A and Significant Events B had been completed on 1 January 2024, the effect on the Group's losses per Share for FY2024 will be as follows:

	Audited	Pro forma	
	FY2024	After Significant Events A	After Significant Events B
EPS / (LPS) (US cents)	(0.009)	16.091 ²³	7.210 ²⁴

9.4 NTA / (NTL) per Share

Assuming that the Significant Events A and Significant Events B had been completed on 31 December 2024, the effect on the Group's NTA / (NTL) for FY2024 will be as follows:

	Audited	Pro forma	
	FY2024	After Significant Events A	After Significant Events B
NTA / (NTL) (US cents)	(0.37)	2.66 ²⁵	3.70 ²⁶

²³ This Group EPS is calculated assuming the Significant Events A take place on 1 January 2024: (a) gain on forgiveness of debt of US\$42,194,000 as a result of the Proposed Debt Restructuring; and (b) reversal of approximately US\$3,057,000 interest charged for FY2024 prior to the completion of the Proposed Debt Restructuring and the Proposed Convertible Loan (the **“Event A EPS Adjustments”**).

²⁴ This Group EPS is calculated assuming Significant Events B (after Significant Events A) take place on 1 January 2024: (a) Event A EPS Adjustments; and (b) the theoretical maximum impact of aggregate interest charges of US\$1,534,500 (at 10.0% per annum over five (5) years) on the remaining principal amount of the outstanding balance from the Original Loan Agreements of approximately US\$3,069,000 as at 31 December 2023, arising from the Proposed Convertible Loan, after the capitalisation amount of S\$10,860,000 (equivalent to US\$8 million) (the **“Capitalisation”**) arising from the allotment and issue of the Subscription Shares. However, this Group EPS would be 6.829 US cents assuming the theoretical maximum impact of aggregate interest charges arising from the Proposed Convertible Loan, amounting to approximately US\$3,777,000 (at 10.0% per annum over five (5) years) and based on the theoretical upper limit of the balance Original Outstanding Amounts of up to S\$10,255,000 (equivalent to approximately US\$7,554,000) (the **“Theoretical Outstanding Balance”**) is applied as at 31 December 2023, arising from the Proposed Convertible Loan, after the Capitalisation.

²⁵ This Group NTA is calculated assuming that Significant Events A take place on 31 December 2024 resulting in: (a) reduction of total liabilities of approximately US\$42,239,000 as a result of the Proposed Debt Restructuring (the **“Debt Reduction”**); and (b) the full conversion of the principal amount of the outstanding balance from the Original Loan Agreements of approximately US\$5,020,000 as at 31 December 2024 after the Capitalisation (the **“Debt Conversion”**). However, this Group NTA would be 1.73 US cents assuming the full conversion of the Proposed Convertible Loan on 31 December 2024 is based on the Theoretical Outstanding Balance after the Capitalisation.

²⁶ This Group NTA is calculated assuming Significant Events B (after Significant Events A) take place on 31 December 2024: (a) Debt Reduction; and (b) Debt Conversion with total interest paid of approximately US\$2,510,000 (at 10.0% per annum over five (5) years). However, this Group NTA would be 3.49 US cents if the total interest paid, amounting to approximately US\$3,775,000 (at 10.0% per annum over five (5) years), is based on the Theoretical Outstanding Balance and applied as at 31 December 2024 after the Capitalisation.

LETTER TO SHAREHOLDERS

9.5 Gearing

Assuming that the Significant Events A and Significant Events B had been completed on 31 December 2024, the effect on the Group's gearing ratio as at 31 December 2024 will be as follows:

	Audited	Pro forma	
	FY2024	After Significant Events A	After Significant Events B
Total capital ²⁷ (US\$'000)	(50,906)	7,273 ²⁸	21,783 ²⁹
Net debt ³⁰ (US\$'000)	31,848	(1,222) ²⁸	(15,732) ²⁹
Gearing ratio (times)	(0.63)	(0.17) ²⁸	(0.72) ²⁹

10. STATEMENT FROM THE AUDIT COMMITTEE

10.1 Proposed Issue of Settlement Shares to Ezion

The Audit Committee having reviewed, among others, the terms and conditions of, background to, rationale for and benefits of the Proposed Issue of Settlement Shares (as one of the Inter-conditional Resolutions) pursuant to the Proposed Debt Restructuring, under which Ezion is a Category A Scheme Creditor entitled to the same settlement arrangements as other Category A Scheme Creditors under the Scheme of Arrangement (and the Supplementary Scheme), the opinion and advice of the IFA and all other relevant information set out in this Circular), and after discussions with the management of the Company, is of the opinion that the Proposed Issue of Settlement Shares to Ezion has been entered into on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, and consequently the terms and conditions of the Proposed Issue of Settlement Shares to Ezion are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

As Mr. Chew is a director of Ezion (notwithstanding that Ezion is in liquidation), he has refrained from providing any opinion in relation to the Proposed Issue of Settlement Shares to Ezion.

10.2 Proposed Issue of Settlement Shares to Mr. Chew

The Audit Committee having reviewed, among others, the terms and conditions of, background to, rationale for and benefits of the Proposed Issue of Settlement Shares (as one of the Inter-conditional Resolutions) pursuant to the Proposed Debt Restructuring, under which Mr. Chew is a Category A Scheme Creditor entitled to the same settlement arrangements as other Category A Scheme Creditors under the Scheme of Arrangement (as modified by the Supplementary Scheme), the opinion and advice of the IFA and all other relevant information set out in this Circular, and after discussions with the management of the Company, is of the opinion that the Proposed Issue of Settlement Shares to Mr. Chew has been entered into on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and consequently the terms and conditions of the Proposed Issue of Settlement Shares to Mr. Chew are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

As stated in section 3.6.2(a) (*Interested person*) of this Circular, Mr. Chew is the "interested person" under Chapter 9 of the Listing Manual in relation to the Proposed Issue of Settlement Shares to Mr. Chew as an IPT. Accordingly, he has refrained from providing any opinion in relation to the Proposed Issue of Settlement Shares to Mr. Chew.

²⁷ Total capital of the Group includes issued capital, PERPS, REPS, reserves and retained earnings.

²⁸ The Group total capital, net debt and gearing ratio are calculated assuming the following Significant Events A take place on 31 December 2024: (a) Debt Reduction; and (b) Debt Conversion. However, the Group total capital, net debt and gearing ratio would be US\$4,739,000, US\$1,312,000 and 0.28 times respectively if the outstanding loan balance as at 31 December 2024 is based on the Theoretical Outstanding Balance after the Capitalisation.

²⁹ The Group total capital, net debt and gearing ratio are calculated assuming Significant Events B (after Significant Events A) take place on 31 December 2024: (a) Debt Reduction; and (b) Debt Conversion with total interest paid of approximately US\$2,510,000 (at 10.0% per annum over five (5) years). However, the Group total capital, net debt and gearing ratio would be US\$20,516,000, (US\$14,465,000) and (0.71) times respectively if the outstanding loan balance as at 31 December 2024 is based on the Theoretical Outstanding Balance after the Capitalisation with total interest paid of approximately US\$3,775,000 (at 10.0% per annum over five (5) years).

³⁰ Net debt of the Group is calculated as financial liabilities and trade and other payables less cash and bank balances and loan from a shareholder.

11. DIRECTORS' RECOMMENDATIONS

11.1 The Proposed Subscription

The Directors, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscription and all other relevant information set out in this Circular, are of the opinion that the Proposed Subscription is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 as set out in the Notice of EGM.

11.2 The Proposed Grant of Options

The Directors, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Grant of Options and all other relevant information set out in this Circular, are of the opinion that the Proposed Grant of Options is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 2 as set out in the Notice of EGM.

11.3 The Proposed Convertible Loan

The Directors, having considered, among others, the rationale for the Proposed Subscriber Transactions, the terms and conditions of the Convertible Loan Agreement, the financial effects of the Proposed Convertible Loan and all other relevant information set out in this Circular, are of the opinion that the Proposed Convertible Loan is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 3 as set out in the Notice of EGM.

11.4 The Proposed Issue of Settlement Shares

The Directors, having considered, among others, the terms and conditions of the Proposed Debt Restructuring, the rationale and financial effects of the Proposed Issue of Settlement Shares and all other relevant information set out in this Circular, are of the opinion that the Proposed Issue of Settlement Shares is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 4 as set out in the Notice of EGM.

11.5 The Proposed Issue of Settlement Shares to Ezion

The Directors (save for Mr. Chew), having considered, among others, the terms and conditions of the Proposed Debt Restructuring, the rationale and financial effects of the Proposed Issue of Settlement Shares to Ezion, the opinion and advice of the IFA as set out in the IFA Letter, the opinion of the Audit Committee as set out in section 10.1 (*Proposed Issue of Settlement Shares to Ezion*) of this Circular and all other relevant information set out in this Circular, are of the opinion that the Proposed Issue of Settlement Shares to Ezion is on normal commercial terms and is not prejudicial to the best interests of the Company and its minority Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 5 as set out in the Notice of EGM.

11.6 The Proposed Issue of Settlement Shares to Mr. Chew

The Directors (save for Mr. Chew), having considered, among others, the terms and conditions of the Proposed Debt Restructuring, the rationale and financial effects of the Proposed Issue of Settlement Shares to Mr. PT, the opinion and advice of the IFA as set out in the IFA Letter, the opinion of the Audit Committee as set out in section 10.2 (*Proposed Issue of Settlement Shares to Mr. Chew*) of this Circular and all other relevant information set out in this Circular, are of the opinion that the Proposed Issue of Settlement Shares to Mr. Chew is on normal commercial terms and is not prejudicial to the best interests of the Company and its minority Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 6 as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

11.7 The Proposed Issue of Settlement Shares to Mr. PT

The Directors, having considered, among others, the terms and conditions of the Proposed Debt Restructuring, the rationale and financial effects of the Proposed Issue of Settlement Shares to Mr. PT, and all other relevant information set out in this Circular, are of the opinion that the Proposed Issue of Settlement Shares to Mr. PT is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 7, as set out in the Notice of EGM.

11.8 The Proposed Transfer of Controlling Interest

The Directors, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscriber Transactions, and all other relevant information set out in this Circular, are of the opinion that the Proposed Transfer of Controlling Interest is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 8, as set out in the Notice of EGM.

11.9 The Proposed Whitewash Resolution

The Directors, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscription and the opinion and advice of the IFA as set out in the IFA Letter, are of the opinion that the terms of the Proposed Subscription which are the subject of the Proposed Whitewash Resolution are fair and reasonable, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 9 as set out in the Notice of EGM.

11.10 The Proposed Share Consolidation

The Directors, having considered, among others, the terms and conditions, rationale and financial effects of the Proposed Share Consolidation, and all other relevant information set out in this Circular, are of the opinion that the Proposed Share Consolidation is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 10 as set out in the Notice of EGM.

11.11 No regard to specific objectives

Shareholders, in deciding whether to vote in favour of the Ordinary Resolutions relating to the Proposals at the EGM, should carefully read the terms, rationale for and benefits of the Proposals. In giving the above recommendations, the Directors have not done so with regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his/her/its specific investment objectives or portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-6 of this Circular, will be held physically at 51 Cuppage Road, #03-03, Singapore 229469 on 4 June 2025 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions relating to the Proposals set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

13. ACTION TO BE TAKEN BY SHAREHOLDERS

13.1 Questions

Submission of substantial and relevant questions in advance of the EGM. Shareholders, CPFIS Members and SRS Investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM, in the following manner:

- (a) if submitted by post, to the Company's registered office at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095; and/or
- (b) if submitted electronically, via email to enquiries@charismaenergy.com.

in each case, by **10:00 a.m. on 27 May 2025** (being seven (7) calendar days from the date of the Notice of EGM). **Shareholders are strongly encouraged to submit questions electronically by email.**

When sending in substantial and relevant questions by post or email, Shareholders must also include the following details to enable the Company to verify their status as Shareholders: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip). The Company shall be entitled to regard any submission that omits the forementioned information as invalid and not respond to the questions submitted.

Persons who hold Shares through Relevant Intermediaries (other than CPF/SRS investors) should contact their respective Relevant Intermediaries through which they hold such Shares to submit their questions relating to the resolution to be tabled for approval at the EGM based on the abovementioned instructions.

Shareholders, CPFIS Members and SRS Investors and, where applicable, appointed proxy(ies) can also ask live at the EGM substantial and relevant questions related to the resolution to be tabled for approval at the EGM by attending the EGM physically.

Addressing questions. The Company will endeavour to address all substantial and relevant questions (which are related to the resolution to be tabled for approval at the EGM) received from Shareholders prior to the EGM by publishing the responses to such questions on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> before **10:00 a.m. on 30 May 2025** (being 48 hours prior to the last date and time for the lodgement of the Proxy Form) (the "**Pre-EGM Reply**"). The Company will address those substantial and relevant questions (which are related to the resolution to be tabled for approval at the EGM) which have not already been addressed in the Pre-EGM Reply, as well as those received live at the EGM itself during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the EGM on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

13.2 Proxy Form

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy(ies) to attend, speak and vote on his/her/its behalf, he/she/it should complete, sign and return the Proxy Form in the following manner:

- (a) if submitted by post, to the Company's registered office at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095; and/or
- (b) if submitted electronically, via email to enquiries@charismaenergy.com.

in each case, by **10:00 a.m. on 1 June 2025 (not less than 72 hours before the time appointed for holding the EGM).**

LETTER TO SHAREHOLDERS

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post can either use the hard copies of the Proxy Form sent to the Shareholder or download a copy of the Proxy Form from SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email to enquiries@charismaenergy.com.**

If no specific direction as to voting is given, in respect of a resolution, the appointed proxy(ies) will vote or abstain from voting at his/her/their discretion. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney. Persons who have an interest in the approval of the resolution(s) must decline to accept their appointment as proxies unless the Shareholder concerned has specific instructions in his/her/its Proxy Form as to the manner in which his/her/its votes are to be cast in respect of such resolution.

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **10:00 a.m. on 1 June 2025**), as certified by CDP to the Company.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.

Investors holding shares through relevant intermediaries should approach their Relevant Intermediaries (which would include, in the case of CPFIS Members and SRS Investors, his/her CPF Agent Banks or SRS Operators). An investor who wishes to vote should approach his/her relevant intermediary as soon as possible to specify his/her voting instructions.

CPFIS Members and SRS Investors (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **10:00 a.m. on 23 May 2025**), and such CPFIS Members and/or SRS Investors shall be precluded from attending the EGM.

13.3 Circular, Notice of EGM, the Proxy Form and Request Form

This Circular, Notice of EGM, the Proxy Form and Request Form may be accessed on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>.

Printed copies of this Circular will not be despatched to Shareholders, unless otherwise requested. The printed copies of the Notice of EGM, the Proxy Form and the Request Form have been despatched to Shareholders and are also available on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>.

To receive a printed copy of the Circular, please complete and return the Request Form to the Company at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095. A printed copy of the Circular will then be sent to the address specified by the Shareholder in the Request Form at his/her/its own risk.

14. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

15. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company located at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095 during normal business hours for three (3) months from the date of this Circular during normal business hours:

- (a) the CSA;
- (b) the supplemental agreements to the CSA;
- (c) the Convertible Loan Agreement;
- (d) the supplemental agreement to the Convertible Loan Agreement;
- (e) the scheme documents in relation to the Scheme of Arrangement and the Supplementary Scheme;
- (f) the Bilateral Settlement Deed;
- (g) the Constitution;
- (h) the annual reports of the Company for FY2022, FY2023 and FY2024;
- (i) the IFA Letter;
- (j) the consent letter referred to in section 6.3 (*Consent from the IFA*) of this Circular; and
- (k) the scheme document in relation to the Scheme of Arrangement.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiries@charismaenergy.com to make an appointment in advance.

Yours faithfully

For and on behalf of the Board of Directors of
CHARISMA ENERGY SERVICES LIMITED

Mr. Tan Tiong Huat Alex

Independent and Non-Executive Director

APPENDIX A – CHANGES IN SHAREHOLDING INTERESTS

	Prior to the (1) Proposed Subscription; (2) Proposed Grant of Options; (3) Proposed Debt Restructuring; (4) Proposed Convertible Loan; and (5) Proposed Share Consolidation ⁽¹⁾	Upon completion of the (1) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (2) Proposed Grant of Options (resulting in the grant of the Options); (3) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (4) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect) ⁽²⁾
	Direct Interest Number of Shares %	Deemed Interest Number of Shares %
DIRECTORS		
Chew Thiam Keng ⁽⁶⁾⁽⁷⁾	-	75,484,934
Owong Thian Soo	-	-
Tan Tiong Huat Alex	-	-
SUBSTANTIAL SHAREHOLDERS (OTHER THAN DIRECTORS)		
Ezion Holdings Limited (In Liquidation) ⁽⁸⁾⁽⁹⁾	5,461,932,000	43,754,814,256
Patrick Tan Choon Hook ⁽¹⁰⁾⁽¹¹⁾	1,003,083,100	14,975,816,008
SUBSCRIBER		
Subscriber	-	177,298,084,384
OTHERS		
Other Class A Participating Creditors	-	14,134,298,773
Other PERPS Holders	-	5,099,482,653
REPS Holders	-	10,654,276,257
Other existing Shareholders	7,194,313,435	7,194,313,435
TOTAL	13,659,328,535	273,186,570,700
	100.0%	100.0%
	Number of Shares	Number of Shares
Non-public	6,465,015,100	236,104,199,582
Public	7,194,313,435	37,082,371,118
TOTAL	13,659,328,535	273,186,570,700
	100.0%	100.0%
	%	%
	47.3%	86.4%
	52.7%	13.6%
	100.0%	100.0%
	%	%
	52.7%	2.6%
	100.0%	100.0%
	%	%
	40.0%	16.0%
	7.3%	5.5%
	3.6%	0.2%

APPENDIX A – CHANGES IN SHAREHOLDING INTERESTS

	Upon completion of the (1) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (2) Proposed Grant of Options (resulting in the grant of the Options); (3) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (4) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect); and (5) Proposed Share Consolidation ⁽³⁾	Upon completion of the (1) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (2) Proposed Grant of Options (resulting in the grant of the Options); (3) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (4) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect); and (5) Proposed Share Consolidation; and (6) full exercise of the Options by the Subscriber ⁽⁴⁾
	Direct Interest Number of Shares % Deemed Interest Number of Shares %	Direct Interest Number of Shares % Deemed Interest Number of Shares %
DIRECTORS		
Chew Thiam Keng ⁽⁶⁾⁽⁷⁾	75,485 0.0%	75,485 0.0%
Owong Thian Soo	- -	- -
Tan Tiong Huat Alex	- -	- -
SUBSTANTIAL SHAREHOLDERS (OTHER THAN DIRECTORS)		
Ezion Holdings Limited (In Liquidation) ⁽⁸⁾⁽⁹⁾	43,754,815 16.0%	43,754,815 9.4%
Patrick Tan Choon Hock ⁽¹⁰⁾⁽¹¹⁾	14,975,817 5.5%	14,975,817 3.2%
SUBSCRIBER		
Subscriber	177,298,085 64.9%	370,715,889 79.4%
OTHERS		
Other Class A Participating Creditors	14,134,306 5.2%	14,134,306 3.1%
Other PERPS Holders	5,099,485 1.9%	5,099,485 1.1%
REPS Holders	10,654,278 3.9%	10,654,278 2.3%
Other existing Shareholders	7,196,717 2.6%	7,196,717 1.5%
TOTAL	273,188,988 100.0%	466,606,792 100.0%
	Number of Shares %	Number of Shares %
Non-public	236,104,202 86.4%	414,546,189 88.8%
Public	37,084,786 13.6%	52,060,603 11.2%
TOTAL	273,188,988 100.0%	466,606,792 100.0%

APPENDIX A – CHANGES IN SHAREHOLDING INTERESTS

	Upon completion of the (1) Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (2) Proposed Grant of Options (resulting in the grant of the Options); (3) Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); (4) Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect); (5) Proposed Share Consolidation; (6) full exercise of the Options by the Subscriber; and (7) full conversion of the Proposed Convertible Loan ⁽⁵⁾			
	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
DIRECTORS				
Chew Thiam Keng ⁽⁶⁾⁽⁷⁾	75,485	0.0%	-	-
Owyong Thian Soo	-	-	-	-
Tan Tiong Huat Alex	-	-	-	-
SUBSTANTIAL SHAREHOLDERS (OTHER THAN DIRECTORS)				
Ezion Holdings Limited (In Liquidation) ⁽⁸⁾⁽⁹⁾	43,754,815	7.4%	-	-
Patrick Tan Choon Hock ⁽¹⁰⁾⁽¹¹⁾	14,975,817	2.5%	493,186	0.1%
SUBSCRIBER				
Subscriber	492,509,239	83.7%	-	-
OTHERS				
Other Class A Participating Creditors	14,134,306	2.4%	-	-
Other PERPS Holders	5,099,485	0.9%	-	-
REPS Holders	10,654,278	1.8%	-	-
Other existing Shareholders	7,196,717	1.2%	-	-
TOTAL	588,400,142	100.0%		
	Number of Shares	%		
Non-public	536,339,539	91.2%		
Public	52,060,603	8.8% ⁽¹²⁾		
TOTAL	588,400,142	100.0%		

Notes:

- (1) Based on 13,659,328,535 Shares in the issued and paid-up share capital of the Company as at the Latest Practicable Date.
- (2) Based on 273,186,570,700 Shares in the issued and paid-up share capital of the Company, taking into consideration the allotment and issue of the (a) Subscription Shares; and (b) Settlement Shares.
- (3) Based on 273,188,988 Shares in the issued and paid-up share capital of the Company, taking into consideration the (a) allotment and issue of the Subscription Shares and Settlement Shares; and (b) Share Consolidation of every 1,000 existing Shares into one (1) Share, with any fractional Shares to be rounded up to the nearest whole consolidated Share.
- (4) Based on 466,606,792 Shares in the issued and paid-up share capital of the Company, taking into consideration the (a) allotment and issue of the Subscription Shares and Settlement Shares; (b) Share Consolidation of every 1,000 existing Shares into one (1) Share, with any fractional Shares to be rounded up to the nearest whole consolidated Share; and (c) allotment and issue of the Option Shares based on the full exercise of all Options by the Subscriber.
- (5) Based on 588,400,142 Shares in the issued and paid-up share capital of the Company, taking into consideration the (a) allotment and issue of the Subscription Shares and Settlement Shares; (b) Share Consolidation of every 1,000 existing Shares into one (1) Share, with any fractional Shares to be rounded up to the nearest whole consolidated Share; (c) allotment and issue of the Option Shares based on the full exercise of all Options by the Subscriber; and (e) allotment and issue of the Conversion Shares based on the full conversion of the Convertible Loan of the principal amount of S\$10,255,000 by the Subscriber.
- (6) Mr. Chew Thiam Keng is the non-executive chairman of the Company. Accordingly, he is an interested person to the Company for the purposes of Chapter 9 of the Catalyst Rules.
- (7) Subject to specific approval to be obtained at the EGM from the Independent Shareholders, Mr. Chew Thiam Keng will be granted 75,484,934 Settlement Shares pursuant to the Scheme of Arrangement.
- (8) Ezion is currently in liquidation. As part of the liquidation process, the liquidators will take steps to realise Ezion's assets, including its shareholding in the Company, for the benefit of its creditors. Accordingly, it is assumed that the Shares held by Ezion, including the Settlement Shares, would be sold to other third-party shareholders. Thereafter, Ezion shall cease to be a Substantial Shareholder of the Company.
- (9) Subject to specific approval to be obtained at the EGM from the Independent Shareholders, Ezion will be granted 38,292,882,256 Settlement Shares pursuant to the Scheme of Arrangement.
- (10) Mr. PT is able to exercise control over the voting rights of (a) 339,000,000 Shares owned by his spouse, Mdm Serene Lee Siew Kin; and (b) 154,186,000 Shares held on his behalf through nominees.
- (11) Subject to specific approval to be obtained at the EGM from the Independent Shareholders, Mr. PT will be granted 13,972,732,908 Settlement Shares pursuant to the Scheme of Arrangement.
- (12) In addition to the undertaking of the Subscriber as described under the paragraph titled "Other material terms" of section 2.6.2 (*Principal terms of the Convertible Loan Agreement*) of this Circular, in the event that the Company does not have at least 10.0% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) that are held by the public, following the allotment and issue of any Conversion Shares, the Company will undertake a compliance placement to be in compliance with Catalyst Rule 723.

**APPENDIX B – EXTRACTS OF THE ADJUSTMENT EVENTS UNDER THE
TERMS AND CONDITIONS OF THE OPTIONS**

4. EXTRACTS OF THE ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS

4.1. The Exercise Price and the number of Options held by the Option Holder shall from time to time be adjusted by the Directors, which adjustment shall be certified by the Auditors and approved by the Option Holder. The Exercise Price and the number of Options held by the Option Holder shall be subject to Conditions 4.3 to 4.12 from time to time and be adjusted as provided in these Conditions in all or any of the following cases, such adjustments to prevent dilution or enlargement of the benefits attributable to the unexercised Options:

4.1.1. an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

4.1.2. a Capital Distribution (as defined herein) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

4.1.3. any share split, consolidation, reclassification, or subdivision of the Shares.

4.2. Subject to these Conditions (and in particular Condition 4.3), the Exercise Price and the number of Options held by the Option Holder shall from time to time be adjusted in accordance with the following provisions (but if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Conditions 4.1.1 to 4.1.3 or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Directors shall determine):

4.2.1. If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Exercise Price and the number of Options held by the Option Holder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A+B} \times P$$

$$\text{Adjusted number of Options} = \frac{A+B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

P = existing Exercise Price; and

W = existing number of Options held.

Such foregoing adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 4, "record date" in relation to the relevant transaction means the date as at the close of business on which Shareholders must be registered as such to participate therein.

4.2.2. If and whenever the Company shall make a Capital Distribution (as defined herein) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets), then the Exercise Price shall be adjusted in the following manner:

**APPENDIX B – EXTRACTS OF THE ADJUSTMENT EVENTS UNDER THE
TERMS AND CONDITIONS OF THE OPTIONS**

$$\text{New Exercise Price} = \frac{C-D}{C} \times P$$

where:

C = the average of the Last Dealt Prices on the five (5) Market Days immediately before the date on which the Capital Distribution (as defined herein) is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution;

D = in the case of any other transaction falling within Condition 4.2.2, the fair market value, as determined by an Approved Bank (with the concurrence of the Auditors), of that portion of the Capital Distribution (as defined herein) or of the nil paid rights attributable to one (1) Share;

P = as in P above; and

For the purpose of definition (i) of “D” above the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the formula:

$$\frac{C - E}{F+1}$$

where:

C = as in C above;

E = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights;

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights; and

1 = one.

For the purpose of Conditions 4.1.2 and 4.2.2 above, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 4.2.1) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 4.2.2.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to Condition 4.2.2 above.

For the purposes of this Condition 4, “closing date” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

- 4.2.3. If and whenever share split, consolidation, reclassification or subdivision of the Shares occurs, the Exercise Price and the number of Options held by the Option Holder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{Q}{R} \times P$$

**APPENDIX B – EXTRACTS OF THE ADJUSTMENT EVENTS UNDER THE
TERMS AND CONDITIONS OF THE OPTIONS**

and the number of Options shall be adjusted in the following manner:

$$\text{Adjusted number of Options} = \frac{R}{Q} \times W$$

where:

Q = the aggregate number of issued and fully paid-up Shares immediately before share split, consolidation, reclassification, or subdivision;

R = the total Shares outstanding post share split, consolidation, reclassification, or subdivision;

P = as in P above; and

W = as in W above,

such adjustments will be effective from the close of the Market Day immediately preceding the date on which the share split, consolidation, reclassification, or subdivision becomes effective.

- 4.3. Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Options held by the Option Holder will be required in respect of:
- 4.3.1. any issue of Shares pursuant to the transactions contemplated under the Agreement, including the Debt Restructuring;
 - 4.3.2. an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights;
 - 4.3.3. an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for shares to officers, including directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option scheme approved by the Shareholders in general meeting;
 - 4.3.4. an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
 - 4.3.5. any issue by the Company of Shares pursuant to the exercise of any of the Options and any other Options or any other warrants or the conversion of any convertible securities previously issued by the Company;
 - 4.3.6. any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in general meeting subsequent to the issue of Options, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury;
 - 4.3.7. any issue by the Company of securities convertible into Shares or rights, options, warrants or other rights to acquire or subscribe for or purchase Shares (other than arising from or by way of rights, bonus, or other capitalisation issues) and the issue of Shares arising from the conversion or exercise of such securities or rights, issued subsequent to the issue of the Options, whether by itself or together with any other issue; and
 - 4.3.8. any other corporate action that may directly or indirectly result in the issue of additional new Shares, provided that such corporate action has been approved by the Shareholders in general meeting.
- 4.4. If any offer or invitation for Shares is made otherwise than by the Company to the Shareholders, then the Company shall so far as it is able to procure that at the same time an offer or invitation is made to the Option Holder as if its rights to subscribe for new Shares have been exercised the day immediately preceding the date on which as at the close of business Shareholders must be registered in order to participate in such offer or invitation on the basis then applicable.

**APPENDIX B – EXTRACTS OF THE ADJUSTMENT EVENTS UNDER THE
TERMS AND CONDITIONS OF THE OPTIONS**

- 4.5. Any adjustment to the Exercise Price will be rounded downwards to the nearest 0.001 cent. No adjustments to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 4.2 above by the Auditors. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than 0.001 cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 4.6. Any adjustment to the number of Options held by the Option Holder will be rounded downwards to the nearest whole Option. No adjustment to the number of Options held by the Option Holder shall be made unless (i) it has been certified to be in accordance with Condition 4.2 above by the Auditors and (ii) approval-in-principle has been received from the SGX-ST for the listing of and quotation for such additional Shares as may be issued on the exercise of such Options. If for any reason an event giving rise to an adjustment (the “**First Adjustment**”) made to the Exercise Price or the number of Options held by the Option Holder pursuant to these Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Options held by the Option Holder shall be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as the Directors may consider appropriate.
- 4.7. Whenever there is an adjustment as herein provided, the Company shall give notice to the Option Holder that the Exercise Price and/or the number of Options held by the Option Holder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Options in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Options and the effective date of such adjustment and shall at all times thereafter so long as any of the Options remain exercisable make available for inspection at the office of the Company:
- 4.7.1. a signed copy of the certificate of the Auditors certifying the adjustment to the Exercise Price and/or the number of Options; and
- 4.7.2. a certificate signed by a Director setting forth particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Options in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Options and the effective date of such adjustment,
- and shall, on request and at the expense of the Option Holder, send a copy thereof to the Option Holder.
- 4.8. If the Directors, the Option Holder, the Auditors, and the Approved Bank (where required) are unable to agree upon any adjustment required under these provisions, the Parties shall refer the adjustment to the decision of another Approved Bank acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- 4.9. Any new Options which may be issued by the Company under this Condition 4 shall be issued, subject to and with the benefit of these Conditions.
- 4.10. In giving any certificate or making any adjustment hereunder, the Auditors and the Approved Bank (where required) shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decisions shall be conclusive and binding on the Company, the Option Holder and all other persons having an interest in the Options.
- 4.11. Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Options held by the Option Holder other than in accordance with the provisions of this Condition 4 shall be subject to the approval of the SGX-ST and agreed to by the Company, the Option Holder, the Auditors and the Approved Bank (where required).
- 4.12. Nothing shall prevent or restrict the buy-back of any classes of Shares pursuant to applicable law and the requirements of the SGX-ST. No approval or consent of the Option Holder shall be required for such buyback of any classes of Shares, and there shall be no adjustments to the Exercise Price and number of Options by reason of such buy-back of any classes of Shares.

APPENDIX C – DETAILS OF CREDITORS

Creditor	Amount of Approved Scheme Claims (\$)	Amount of cash distribution (\$)	Number of Settlement Shares to be issued	% of total number of Settlement Shares to be issued	% of Enlarged Share Capital	% of Options Enlarged Share Capital	% of Convertible Loan Enlarged Share Capital
REPS Holders							
Venstar Investments III Ltd (in Members' Voluntary Liquidation)	6,644,094	365,478	6,392,565,754	7.77	2.34	1.37	1.09
Evia Growth Opportunities III Ltd (in Members' Voluntary Liquidation)	4,447,498	244,647	4,261,710,503	5.18	1.56	0.91	0.72
Scheme Creditors							
<u>Financial Institutions</u>							
Malayan Banking Berhad, Singapore Branch	9,838,052	542,479	9,430,154,643	11.47	3.45	2.02	1.60
Etiqua Insurance Pte Ltd	3,433,000	189,299	3,290,663,831	4.00	1.20	0.71	0.56
<u>Service Providers</u>							
PrimePartners Corporate Finance Pte. Ltd.	721,568	39,788	691,651,364	0.84	0.25	0.15	0.12
RSM Corporate Advisory Pte Ltd	197,900	10,912	189,694,367	0.23	0.07	0.04	0.03
Morgan Lewis Stamford LLC	165,865	9,146	158,988,092	0.19	0.06	0.03	0.03
Yang Lee & Associates	60,537	3,338	58,027,295	0.07	0.02	0.01	0.01
Boardroom Corporate & Advisory Services Pte Ltd	54,524	3,007	52,263,736	0.06	0.02	0.01	0.01
Tricor Singapore Pte Ltd	39,270	2,165	37,642,194	0.05	0.01	0.01	0.01
RSM Risk Advisory Pte Ltd	14,260	786	13,668,764	0.02	0.01	0.00	0.00
Rockstar Atelier Pte Ltd	12,519	690	11,999,947	0.01	0.00	0.00	0.00
Eversheds Harry Elias LLP	10,341	570	9,912,010	0.01	0.00	0.00	0.00
<u>Directors</u>							
Mr. Chew Thiam Keng	78,750	4,342	75,484,934	0.09	0.03	0.02	0.01
Mr. Cheng Yee Seng (deceased)	70,000	3,860	67,097,718	0.08	0.02	0.01	0.01
Ms. Cheng Xiang Ying and Mr. Cheng Yi Em, administrators of the estate and effects of the late Cheng Yee Seng							
Mr. Lim Chen Yang	70,000	3,860	67,097,718	0.08	0.02	0.01	0.01
Mr. Simon de Villiers Rudolph	57,835	3,189	55,437,094	0.07	0.02	0.01	0.01
<u>Shareholder</u>							
Ezion Holdings Limited	39,949,223	2,202,838	38,292,882,256	46.57	14.02	8.21	6.51
<u>Shareholder and PERPS Holder</u>							
Mr. Patrick Tan Choon Hock	14,524,304	437,105	13,972,732,908	16.99	5.11	2.99	2.37
<u>PERPS Holders</u>							
Sunshine Capital Group Pte Ltd	1,319,452	-	1,274,870,664	1.55	0.47	0.27	0.22
Nylect Holdings Pte Ltd	659,726	-	637,435,331	0.78	0.23	0.14	0.11
Mr. Sim Hee Chew (deceased)	659,726	-	637,435,331	0.78	0.23	0.14	0.11
Mdm Chua Ah Suai, administrator of the estate and effects of the late Sim Hee Chew							
Mr. Tan Kim Seng	2,638,904	-	2,549,741,327	3.10	0.93	0.55	0.43



20 May 2025

CHARISMA ENERGY SERVICES LIMITED

8 Wilkie Road
#03-01 Wilkie Edge
Singapore 228095

Attention: The Board of Directors (in respect of the Proposed Whitewash Resolution); and
The Independent Directors (in respect of the Proposed Issue of Settlement Shares to Interested Persons)

LETTER FROM XANDAR CAPITAL PTE. LTD. TO:

- (A) THE BOARD OF DIRECTORS (NAMELY, MR. CHEW THIAM KENG, MR. OWYONG THIAN SOO AND MR. ALEX TAN TIONG HUAT) OF CHARISMA ENERGY SERVICES LIMITED (THE "COMPANY") IN RESPECT OF THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY SHAREHOLDERS OF THE COMPANY WHO ARE DEEMED INDEPENDENT OF THE PROPOSED WHITEWASH RESOLUTION, THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM YIN KHING INVESTMENTS LIMITED (THE "SUBSCRIBER") FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY ("SHARES") NOT ALREADY OWNED OR CONTROLLED BY THE SUBSCRIBER AND ITS CONCERT PARTIES (THE "PROPOSED WHITEWASH RESOLUTION"); AND
- (B) THE INDEPENDENT DIRECTORS (NAMELY, MR. ALEX TAN TIONG HUAT AND MR. OWYONG THIAN SOO) OF THE COMPANY IN RESPECT OF THE PROPOSED ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "SETTLEMENT SHARES") AT AN ISSUE PRICE OF S\$0.0000766 FOR EACH SETTLEMENT SHARE TO EZION HOLDINGS LIMITED (IN LIQUIDATION) AND MR. CHEW THIAM KENG AS INTERESTED PERSON TRANSACTIONS PURSUANT TO CHAPTER 9 OF THE LISTING MANUAL (SECTION B: RULES OF CATALIST) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

Shareholders may wish to note that:

- (1) *for the purpose of this letter (this "IFA Letter"), capitalised terms not otherwise defined shall have the meaning given to them in the circular to shareholders of the Company (the "Shareholders") dated 7 May 2025 (the "Circular");*
- (2) *the exchange rate of US\$1.00 to S\$1.3576, which is the exchange rate applied in the Company's announcement dated 18 January 2023, is applied throughout this IFA Letter, unless otherwise stated; and*
- (3) *the issue price of S\$0.0000766 for each Subscription Share and for each Settlement Share is a rounded seven (7) decimal places figure as disclosed in the Circular while the exercise price of S\$0.084 for each Option Share and the conversion price of S\$0.0842 for each Conversion Share are determined based on the formula set out in section 7.7 of the Circular.*

1. INTRODUCTION

As set out in section 1 of the Circular, the Company is convening an extraordinary general meeting ("**EGM**") to seek its Shareholders' approvals for the following ordinary resolutions:

- (a) the proposed allotment and issue of 177,298,084,384 new ordinary shares (the "**Subscription Shares**") to the Subscriber at the issue price of S\$0.0000766 (the "**Subscription Price**") for each Subscription Share, for an aggregate amount of



S\$13,576,000 (the “**Subscription Amount**”) (the “**Proposed Subscription**”) in accordance with the conditional subscription agreement dated 18 January 2023 entered into between the Company and the Subscriber (the “**CSA**”);

- (b) the proposed grant of 193,416,092,056 unlisted and freely transferable share options (“**Options**”) by the Company to the Subscriber for a nominal aggregate consideration of S\$1.00, with each Option carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**Option Share**”) at an exercise price of S\$0.0000842 (the “**Exercise Price**”) for each Option Share, raising total proceeds of S\$16,291,200 (the “**Option Amount**”) for the Company if all Options are fully exercised (the “**Proposed Grant of Options**”). Based on the terms of the CSA, the Subscriber will have 193,417,804 ⁽¹⁾ Options at an exercise price of S\$0.084 for each Option Share following completion of the Proposed Share Consolidation (as defined below);
- (c) the convertible loan agreement dated 20 December 2024 (the “**Convertible Loan Agreement**”) entered into between (i) the Company, Anchor Marine 2 Inc (“**AM2**”, a wholly owned subsidiary of the Company) and CES Hydro Power (SL) Limited (“**CESH SL**”, a wholly owned subsidiary of the Company); and (ii) Cosmic Marvel International Limited (“**CMIL**”, a wholly owned subsidiary of the Subscriber) and the Subscriber, for the provision of an aggregate principal amount of up to S\$10,255,000 by CMIL, convertible into up to 121,793,350 ⁽¹⁾ new consolidated ordinary shares in the capital of the Company (the “**Conversion Shares**”) at the conversion price of S\$0.0842 (the “**Conversion Price**”) which is on consolidated basis) for each Conversion Share, on the terms and conditions of Convertible Loan Agreement (the “**Proposed Convertible Loan**”). The Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan shall be collectively referred hereinafter as the “**Proposed Subscriber Transactions**”;
- (d) the proposed allotment and issue of up to 82,229,157,781 Settlement Shares at the issue price of S\$0.0000766 (the “**Settlement Price**”) for each Settlement Share to (a) the holders of the outstanding redeemable exchangeable preference shares (“**REPS**”) issued by CES Hydro Power Group Pte. Ltd. (“**CESH SG**”, a wholly-owned subsidiary of the Company) pursuant to the deed of settlement dated 6 June 2023, as amended and restated by a deed dated 13 August 2024 (the “**Bilateral Settlement**”); and (b) the creditors which hold claims against the Company (the “**Scheme Creditors**”) in accordance with the scheme of arrangement dated 12 April 2023, as amended by the supplementary scheme of arrangement dated 26 July 2024 (collectively, the “**Scheme of Arrangement**”) to settle certain of its debts and liabilities owing by the Company to such Scheme Creditors (collectively, the “**Proposed Issue of Settlement Shares**”, and the Bilateral Settlement and the Scheme of Arrangement shall be collectively referred to hereinafter as the “**Proposed Debt Restructuring**”);
- (e) as part of the Proposed Issue of Settlement Shares, the proposed allotment and issue of up to 38,292,882,256 Settlement Shares to Ezion Holdings Limited (“**Ezion**”) in accordance with the Scheme of Arrangement (the “**Proposed Issue of Settlement Shares to Ezion**”);
- (f) as part of the Proposed Issue of Settlement Shares, the proposed allotment and issue of up to 75,484,934 Settlement Shares to Mr. Chew Thiam Keng (“**Mr. Chew**”) in accordance with the Scheme of Arrangement (the “**Proposed Issue of Settlement Shares to Mr. Chew**”);



- (g) as part of the Proposed Issue of Settlement Shares, the proposed allotment and issue of up to 13,972,732,908 Settlement Shares to Mr. Patrick Tan Choon Hock ("**Mr. PT**") in accordance with the Scheme of Arrangement (the "**Proposed Issue of Settlement Shares to Mr. PT**");
- (h) the transfer of controlling interest in the Company to the Subscriber arising from the allotment and issue of the Subscription Shares to the Subscriber (the "**Proposed Transfer of Controlling Interest**");
- (i) the Proposed Whitewash Resolution; and
- (j) the proposed consolidation of every 1,000 Shares held by Shareholders as at the share consolidation record date to be determined and announced by the Company (the "**Share Consolidation Record Date**") into one (1) consolidated ordinary share in the capital of the Company (the "**Consolidated Share**"), with any fractional entitlements to be rounded up to the nearest whole Consolidated Share (the "**Proposed Share Consolidation**").

collectively, the "**Proposals**".

Note:

- (1) Shareholders are to note that these are numbers after adjustments pursuant to the completion of the Proposed Share Consolidation. Please refer to section 7.7 of the Circular for the formula applied to calculate the consolidated number of Conversion Shares and Options/Option Shares.

1.1 THE PROPOSED WHITEWASH RESOLUTION

As at 19 May 2025 (the "**Latest Practicable Date**"), the Subscriber and parties acting or presumed to be acting in concert with it do not own any Shares. The Subscriber will hold:

- (a) 177,298,084,384 Shares representing approximately 64.9% of the enlarged share capital of the Company of 273,186,570,700 Shares (the "**Enlarged Share Capital**") after (i) the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (ii) the Proposed Grant of Options (resulting in the grant of the Options but before the exercise of any Options); (iii) the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); and (iv) the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect but before any conversion of any principal amount of the Proposed Convertible Loan);
- (b) 177,298,085 Consolidated Shares representing approximately 64.9% of the Enlarged Share Capital on a consolidated basis of 273,188,988 Consolidated Shares upon the completion of the Proposed Share Consolidation (the "**Consolidated Enlarged Share Capital**");
- (c) 370,715,889 Consolidated Shares representing approximately 79.4% of the enlarged share capital of the Company comprising 466,606,792 Consolidated Shares (the "**Options Enlarged Share Capital**") assuming that all Options Shares will be allotted and issued to the Subscriber after the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (ii) the Proposed Grant of Options (resulting in the grant of the Options with all Options fully exercised); (iii) the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); and



(iv) the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect but before any conversion of any principal amount of the Proposed Convertible Loan); and

- (d) 492,509,239 Consolidated Shares representing approximately 83.7% of the enlarged share capital of the Company comprising 588,400,142 Consolidated Shares (the **"Convertible Loan Enlarged Share Capital"**) assuming that all Conversion Shares will be allotted and issued to the Subscriber after (i) the completion of the Proposed Subscription (resulting in the allotment and issue of the Subscription Shares); (ii) the Proposed Grant of Options and exercise of Options (resulting in the grant of the Options with all Options fully exercised); (iii) the Proposed Debt Restructuring (resulting in the allotment and issue of the Settlement Shares); and (iv) the Proposed Convertible Loan (resulting in the Convertible Loan Agreement coming into effect and all principal amount converted into Conversion Shares).

Accordingly, upon the allotment and issue of the 177,298,084,384 Subscription Shares, the Subscriber will be required under the Singapore Code on Take-overs and Mergers (the **"Takeover Code"**, as may be amended, modified or supplemented from time to time) to make a mandatory general offer for the Shares (or Consolidated Shares) not already owned or controlled by the Subscriber and parties acting or presumed to be acting in concert with it pursuant to Rule 14.1 of the Takeover Code, unless such obligation is waived by the Securities Industry Council (**"SIC"**) and the Proposed Whitewash Resolution is approved by the Shareholders who are deemed independent of the Proposed Whitewash Resolution (the **"Whitewash Independent Shareholders"**) at the EGM.

As there is no intention to trigger a mandatory take-over obligation under the Takeover Code arising from the Proposed Subscription, an application was made to the SIC for a waiver of the obligations of the Subscriber to make a mandatory general offer for the Shares under Rule 14.1 of the Takeover Code as a result of the allotment and issue of the Subscription Shares.

On 2 May 2025, SIC confirmed that the Subscriber is exempt from the requirement under Rule 14 of the Takeover Code to make a general offer for all the remaining Shares not held by the Subscriber and its concert parties arising from the allotment and issuance of the Subscription Shares to the Subscriber (the **"Whitewash Waiver"**), subject to certain conditions as further set out in section 5.2 of the Circular, including (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Subscription Shares, to the Subscriber, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Subscriber; (b) the Proposed Whitewash Resolution is separate from other resolutions; (c) the Subscriber, parties acting in concert with them and parties not independent of them abstain from voting on the Proposed Whitewash Resolution; and (d) the Company appoints an independent financial adviser (**"IFA"**) to advise the Whitewash Independent Shareholders on the Proposed Whitewash Resolution.

1.2 THE INTERESTED PERSON TRANSACTIONS

As part of Proposed Issue of Settlement Shares, the Company will be issuing Settlement Shares to Ezion and Mr. Chew (collectively, the **"Proposed Issue of Settlement Shares to Interested Persons"**). Ezion is a 'controlling shareholder' holding 39.99% interest in the share capital of the Company while Mr. Chew is a director of the Company as at the Latest Practicable Date. Accordingly, Ezion and Mr. Chew are both 'interested persons' and each of the Proposed Issue of Settlement Shares to Interested Persons constitute 'interested person transaction' under



Chapter 9 of the Listing Manual (Section B: Rules of Catalyst) of the SGX-ST (the “**Catalist Rules**”). Mr. Chew is also a director of Ezion (notwithstanding that Ezion is in liquidation).

The estimated value of each of the Proposed Issue of Settlement Shares to Interested Persons are as follows:

Name of interested person	Amount due by the Group to the interested person (\$)	Estimated amount to be settled in cash (\$)	Number of Settlement Shares	Value of Settlement Shares ⁽¹⁾ (\$)	Total estimated settlement amount (\$)
Ezion	39,949,223	2,202,838	38,292,882,256	2,932,148	5,134,986
Mr. Chew	78,750	4,342	75,484,934	5,780	10,122

Note:

(1) Calculated based on the Settlement Price which is the same as the Subscription Price.

The Company’s latest audited net tangible assets as at 31 December 2024 was negative and the Company does not have a market capitalisation as its Shares were last traded on the Catalyst Board of the SGX-ST on 31 January 2019. As a result, the respective value of the Proposed Issue of Settlement Shares to Interested Persons is deemed to exceed the threshold requiring the approval of Shareholders who are independent of the Proposed Issue of Settlement Shares to Interested Persons (the “**IPT Independent Shareholders**”) under Rules 906(1) and 921(7) of the Catalyst Rules.

Pursuant to Rule 921(4)(a) of the Catalyst Rules, the Company has to obtain an opinion from an IFA stating whether the Proposed Issue of Settlement Shares to Interested Persons and all other transactions which are the subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 906 of the Catalyst Rules, are on normal commercial terms and is not prejudicial to the interest of the Company and its minority Shareholders.

1.3 THE IFA OPINIONS

Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed by the Company:

- (a) pursuant to the Takeover Code, to provide its opinion on the terms of the Proposed Subscription and advise the board of directors of the Company (the “**Board**”) all of whom are deemed independent for the purposes of the Proposed Subscription and the Proposed Whitewash Resolution as to (i) whether the terms of the Proposed Subscription which are the subject of the Proposed Whitewash Resolution, are fair and reasonable, and (ii) the recommendation to be made by the Board to the Whitewash Independent Shareholders in respect of the Proposed Whitewash Resolution; and
- (b) pursuant to Rule 921(4)(a) of the Catalyst Rules, provides its opinion on the terms of the Proposed Issue of Settlement Shares to Interested Persons and advise the Directors who are deemed independent for the purposes of the Proposed Issue of Settlement Shares to Interested Persons, namely Mr. Alex Tan Tiong Huat and Mr. Owyong Thian Soo



(the “**Independent Directors**”) as to (i) whether the Proposed Issue of Settlement Shares to Interested Persons (and all other transactions which are the subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 906 of the Catalyst Rules) are on normal commercial terms, and (ii) whether the Proposed Issue of Settlement Shares to Interested Persons (and all other transactions which are the subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 906 of the Catalyst Rules) are prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter, which is prepared pursuant to the Takeover Code and Rule 921(4)(a) of the Catalyst Rules, sets out our evaluation of, and opinions on, the Proposed Subscription and the Proposed Issue of Settlement Shares to Interested Persons, as well as our recommendation to the Proposed Whitewash Resolution. This IFA Letter is addressed to the Board and the Independent Directors, as the case may be, and forms part of the Circular.

2. TERMS OF REFERENCE

Xandar Capital has been appointed pursuant to the Takeover Code and Rule 921(4)(a) of the Catalyst Rules and as well as to advise the Board and the Independent Directors, as the case may be, as to:

- (a) whether the terms of the Proposed Subscription which are the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the recommendation to be made by the Board to the Whitewash Independent Shareholders in respect of the Proposed Whitewash Resolution; and
- (b) whether the Proposed Issue of Settlement Shares to Interested Persons (and all other transactions which are the subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 906 of the Catalyst Rules) are on normal commercial terms, and whether the Proposed Issue of Settlement Shares to Interested Persons (and all other transactions which are the subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 906 of the Catalyst Rules) are prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Subscriber Transactions (which include the Proposed Subscription), the Proposed Whitewash Resolution and the Proposed Debt Restructuring (which includes the Proposed Issue of Settlement Shares to Interested Persons), nor were we involved in the deliberations leading up to the decisions by the Company to undertake the Proposed Subscriber Transactions, the Proposed Whitewash Resolution and the Proposed Debt Restructuring (which includes the Proposed Issue of Settlement Shares to Interested Persons). Accordingly, we do not, by this IFA Letter, express, evaluate, comment and/or warrant the merits (whether strategic, commercial or otherwise) and/or risks of the Proposed Subscriber Transactions, the Proposed Whitewash Resolution and the Proposed Debt Restructuring (which includes the Proposed Issue of Settlement Shares to Interested Persons). We are also not addressing the relative merits of the Proposed Subscriber Transactions (which include the Proposed Subscription) and the Proposed Debt Restructuring (which includes the Proposed Issue of Settlement Shares to Interested Persons), as compared to any alternative transaction of the Company or the Group or that otherwise may become available to the Group in the future. We have not been instructed or



authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Subscriber Transactions (which include the Proposed Subscription) and the Proposed Debt Restructuring (which includes the Proposed Issue of Settlement Shares to Interested Persons).

We are also not expressing any view herein as to the prices at which the Shares may trade after the resumption of trading of the Shares.

In the course of our evaluation and for the purpose of providing our opinions in respect of the Proposed Subscriber Transactions, the Proposed Whitewash Resolution and the Proposed Issue of Settlement Shares to Interested Persons, we have had discussions with directors and management of the Group (the “**Company Representatives**”), and have examined information provided by the Company Representatives and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgment on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

We have not made any independent evaluation and appraisal on the assets and liabilities of the Company and/or the Group, and we have not been furnished with any such evaluation and appraisal. We have also not been provided with any financial projections or forecasts in respect of the Company or the Group. We are not required to express and we do not express any view herein on the growth prospects, financial position, earnings potential and sufficiency of working capital of the Company or the Group, whether with or without the Proposed Subscriber Transactions (which include the Proposed Subscription), the Proposed Whitewash Resolution and the Proposed Debt Restructuring (which includes the Proposed Issue of Settlement Shares to Interested Persons).

We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposals and the Group, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in the Circular in its proper form and context.

In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group, the Proposed Subscriber Transactions (which include the Proposed Subscription), the Proposed Whitewash Resolution and the Proposed Debt Restructuring (which includes the Proposed Issue of Settlement Shares to Interested Persons), are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our opinions are based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinions contained herein. Shareholders should take note of any announcements relevant to



their consideration of the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Issue of Settlement Shares to Interested Persons, which may be released by the Company after the Latest Practicable Date.

In arriving at our opinions, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

Our opinions are for the use and benefit of the Board and the Independent Directors, as the case may be, in their deliberation of the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Issue of Settlement Shares to Interested Persons, and the recommendation made by the Board and the Independent Directors, as the case may be, shall remain the responsibility of the Board and the Independent Directors.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinions, in relation to the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Issue of Settlement Shares to Interested Persons, should be considered in the context of the entirety of this IFA Letter and the Circular.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, without the prior written consent of Xandar Capital in each specific case, except for the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Issue of Settlement Shares to Interested Persons, at any time and in any manner.

We recommend that the Directors advise the Whitewash Independent Shareholders and IPT Independent Shareholders to read this IFA Letter in its entirety carefully.

3. THE PROPOSED SUBSCRIBER TRANSACTIONS

Details of the Proposed Subscriber Transactions are set out in section 2 of the Circular. We summarise as follows:

Transaction	Maximum gross proceeds (\$)	Number of new Shares	Issue price for each new Share (\$) ⁽¹⁾	Subscriber's resultant shareholding in the Company (%)
Proposed Subscription	13,576,000	177,298,084,384 Subscription Shares, before share consolidation	Approximately S\$0.0000766, being the Subscription Price which is the same as the Settlement Price	64.9 ⁽²⁾
Proposed Grant of Options, upon full exercise of Options	16,291,000	193,417,804 Option Shares, on consolidated basis	S\$0.084 (on consolidated basis based on the formula set out in section 7.7 of the Circular). On pre-consolidation basis, the Exercise Price represents 10% premium to the Subscription Price	79.4 ⁽²⁾⁽³⁾
Proposed Convertible Loan	10,255,000	121,793,350 Conversion Shares, on consolidated basis	S\$0.0842 (on consolidated basis based on the formula set out in section 7.7 of the Circular). On pre-consolidation basis, the Conversion Price represents 10% premium to the Subscription Price	83.7 ⁽³⁾⁽⁴⁾

Notes:

(1) Based on the enlarged share capital of the Company comprising:

	Number of Shares
The existing Shares as at the Latest Practicable Date	13,659,328,535
The Settlement Shares	82,229,157,781

APPENDIX D – IFA LETTER



	<u>Number of Shares</u>
The Subscription Shares	177,298,084,384
Total (being the "Enlarged Share Capital")	<u>273,186,570,700</u>

- (2) Based on the enlarged share capital of the Company comprising:

	<u>Number of Consolidated Shares</u>
The Enlarged Share Capital (on consolidated basis)	273,188,988
The Option Shares (on consolidated basis)	193,417,804
Total (being the Options Enlarged Share Capital)	<u>466,606,792</u>

Fractional entitlements are rounded up to the nearest whole Consolidated Share.

- (3) Assuming that the Subscriber does not sell or transfer any of its Subscription Shares, Option Shares and Conversion Shares.
- (4) Based on the enlarged share capital of the Company comprising:

	<u>Number of Consolidated Shares</u>
The Options Enlarged Share Capital	466,606,792
The Conversion Shares	121,793,350
Total (being the Convertible Loan Enlarged Share Capital)	<u>588,400,142</u>

Fractional entitlements are rounded up to the nearest whole Consolidated Share.

Shareholders should note that the subject of the Proposed Whitewash Resolution relates only to the Proposed Subscription as the Subscriber would have increased its shareholdings in the capital of the Company to 64.9% upon the allotment and issue of the Subscription Shares.

However, as the ordinary resolutions relating to the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution and the Proposed Share Consolidation are all inter-conditional, we have also included information and evaluation of key terms of the Proposed Grant of Options and the Proposed Convertible Loan in this IFA Letter.

3.1 BACKGROUND TO, RATIONALE FOR AND BENEFITS OF THE PROPOSED SUBSCRIBER TRANSACTIONS

The background to, rationale for and benefits of the Proposed Subscriber Transactions, are set out in section 2.2 of the Circular. We summarised as follows:

The Company announced the trading halt of its Shares on 31 January 2019 and voluntarily suspended the trading of the Shares on 4 February 2019. The Company subsequently



announced the continued suspension of the trading of the Shares under to Rule 1303(3)(c) of the Catalyst Rules on 17 June 2020.

Since then, the Company has been actively taking steps to restructure its debts and existing assets, including negotiating settlement agreements with its lenders, restructuring its debt liabilities, and undertaking divestments of its existing assets including the sale of its oil and gas assets such as Mustang Operations Centre 1 LLC, Accommodation Module at Port Melville, four (4) anchor-handling tug supply vessels and Yichang Smartpower Green Electricity Co. Ltd.. However, sale proceeds arising from these disposals were insufficient to fully repay the borrowings of the Group. The Group had also disposed of its Indian solar assets business to further pare down the borrowings. Regardless, the Group's debt liabilities continued to exceed its assets.

The Proposed Subscription, together with the Proposed Debt Restructuring, will help to reduce the Group's liabilities. The Proposed Grant of Options will provide the Group access to additional funds as and when the Subscriber exercises its Options while the Proposed Convertible Loan will allow the Group to unencumber its assets which were used to secure loan facility under a facility agreement entered into in 2014 and have the flexibility to manage its repayment under the terms and conditions of the Convertible Loan Agreement.

3.2 THE PROPOSED SUBSCRIPTION

The original intended uses of proceeds of the Proposed Subscription are as follows:

- (a) S\$10,860,800 for the partial settlement of the Group's debts due to a financial institution (the "**Bank**");
- (b) S\$1,357,600 for satisfaction of liabilities pursuant to the Proposed Debt Restructuring; and
- (c) S\$1,357,600 (including the S\$339,400 has already been paid upfront by the Subscriber in accordance with the terms of the CSA) for working capital purposes, including the estimated expenses in relation to the Proposed Subscriber Transactions and the Proposed Debt Restructuring.

The conditions precedent to the Proposed Subscription ("**Conditions**") are set out in section 2.3.5 of the Circular and we reproduce the Conditions in *italics* as follows:

- (a) *the full discharge by the Bank of any and all liabilities and debts owing by the Sri Lanka Sub-Group to the Bank;*
- (b) *the Bank having agreed to the full discharge of any and all mortgage, charge, pledge, lien or other security interest securing any obligation of the Sri Lanka Sub-Group for the benefit of the Bank;*
- (c) *the creation of a fresh debt obligation to the Subscriber (the principal amount of which shall be no less than S\$10,860,800 pursuant to the CSA) in consideration for the Subscriber having procured the fulfilment of the conditions set out in sub-paragraphs (a) and (b) above pursuant to the Bank Loan Restructuring;*
- (d) *the fulfilment of the Financial Conditions;*



- (e) *the in-principle approval of the SGX-ST being obtained by the Company in relation to the listing and quotation of the Subscription Shares and the Option Shares;*
- (f) *the in-principle approval of SGX-ST being obtained by the Company in relation to the resumption of trading of the Shares on the SGX-ST;*
- (g) *the grant by the SIC (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of the Subscriber to make a mandatory general offer under Rule 14 of the Takeover Code for the Shares not held by the Subscriber following the issue of the Subscription Shares pursuant to the Proposed Subscription under the CSA and the Option Shares pursuant to the exercise of the Options under the CSA, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscriber (the “Whitewash Waiver”); and (ii) the Independent Shareholders approving at a general meeting of the Company the proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from the Subscriber in connection with the issue of the Subscription Shares and the Option Shares;*
- (h) *Shareholders’ approval being obtained at an extraordinary general meeting of the Company to be duly convened for, among others, the Proposed Subscription, the Proposed Grant of Options, the allotment and issue of the Subscription Shares and the Option Shares (pursuant to the exercise of the Options), the transfer of controlling interest in the Company to the Subscriber, the Proposed Whitewash Resolution, the Divestments (if necessary), the Proposed Share Consolidation and the Proposed Debt Restructuring (including the allotment and issue of the Settlement Shares thereunder); and*
- (i) *such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the parties in respect of the transactions contemplated in the CSA and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties.*

Completion of the Proposed Subscription shall take place no later than seven (7) business days from the date falling on which all of the Conditions have been satisfied or waived in accordance with the CSA (the “**Completion Date**”).

As at the Latest Practicable Date, save for sub-paragraph (e), sub-paragraph (h) to be fulfilled with the EGM and sub-paragraphs (d) and (i) which are to be fulfilled on completion, all other conditions precedent set out in section 2.3.5 of the Circular have been fulfilled.

The Subscription Shares when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Subscription Shares.



The Subscription Shares represents (i) 1,298.0% of the existing share capital of the Company; (ii) 64.9% of the Enlarged Share Capital of the Company; (iii) 38.0% of the Options Enlarged Share Capital of the Company; and (iv) 30.1% of the Convertible Loan Enlarged Share Capital of the Company.

3.3 THE PROPOSED GRANT OF OPTIONS

The Options will be granted to the Subscriber on the Completion Date and the Company intends to utilise the proceeds from the full exercise of the Options as follows:

- (a) S\$13,033,000 for funding for new renewable energy related projects; and
- (b) S\$3,258,200 for working capital purposes.

The conditions precedent for the grant of the Options are the same as the Proposed Subscription and all the Options will be granted to the Subscriber on the Completion Date.

Each Option entitles the Subscriber to subscribe for one (1) Option Share at the Exercise Price for the period commencing on and including the date of issue of the Options and expiring on the fifth (5th) anniversary of the date of issue of the Options (the “**Exercise Period**”).

The holder of the Options (the “**Option Holders**”) may only exercise the Options in tranches of S\$50,000 at any time during the Exercise Period (with fractional entitlements to be disregarded), save where the balance of Options held by an Option Holder is less than S\$50,000, in which case, the Option Holder may exercise all but not some of such balance of the Options (with fractional entitlements to be disregarded).

The Exercise Price and number of Options are subject to certain anti-dilution adjustments under circumstances provided for in the CSA, including (i) an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend); (ii) a Capital Distribution (as defined in the CSA) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or (iii) any share split, consolidation, reclassification or subdivision of the Shares.

The Option Shares when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Option Shares.

The Options Shares represents (i) 1,416.00% of the existing share capital of the Company; (ii) 70.8% of the Enlarged Share Capital of the Company; (iii) 41.5% of the Options Enlarged Share Capital of the Company; and (iv) 32.9% of the Convertible Loan Enlarged Share Capital of the Company.



3.4 THE PROPOSED CONVERTIBLE LOAN

The Proposed Convertible Loan relate to the original remaining debts due by the Group to the Bank, which has been assigned to a secured creditor as announcement by the Company on 16 January 2024 (and together with the S\$10,860,800 to be settled with the proceeds from the Proposed Subscription, the “**Original Outstanding Amounts**”) which are not fully settled by the proceeds from the Proposed Subscription and the Proposed Debt Restructuring, where the Subscriber shall repay an amount to the secured creditor and the Company will owe the same amount to the Subscriber instead of the secured creditor.

The key terms of the CLA can be found in section 2.6 of the Circular. We set out the key terms as follows:

- (a) the Proposed Convertible Loan shall be a five (5)-year unsecured interest-bearing loan commencing within 14 days from the fulfilment of the conditions to the Convertible Loan Agreement;
- (b) the interest shall be payable semi-annually at 10% per annum, calculated on the basis of the actual number of days elapsed over a 365-day year, payable in cash (the “**Interest**”);
- (c) for avoidance of doubt, only the principal amount of the Proposed Convertible Loan may be converted to Conversion Shares. The Interest shall only be paid in cash;
- (d) the Company shall be liable to pay default interest of 5.0% per annum on any outstanding amount that has not been paid when due under the Convertible Loan Agreement; and
- (e) the Proposed Convertible Loan shall be convertible to the Conversion Shares for as long as any part of the principal amount of the Proposed Convertible Loan is outstanding as at the date of maturity.

The Conversion Shares when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Conversion Shares.

The Conversion Shares represent (i) 891.3% of the existing share capital of the Company as at the Latest Practicable Date; (ii) 44.6% of the Enlarged Share Capital of the Company; (iii) 26.1% of the Options Enlarged Share Capital of the Company; and (iv) 20.7% of the Convertible Loan Enlarged Share Capital of the Company.

3.5 FINANCIAL CONDITIONS OF THE GROUP UPON COMPLETION OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED DEBT RESTRUCTURING

The following financial conditions (“**Financial Conditions**”) shall be met by the Group upon completion of the Proposed Subscriber Transactions, the Proposed Share Consolidation and the



Proposed Debt Restructuring (which includes the allotment and issue of all the Settlement Shares):

- (a) the aggregate loans and liabilities of the Group's companies in relation to its operations in Sri Lanka (the **"Sri Lanka Sub-Group"**) excluding any debts owing to the Subscriber, shall not be more than US\$2,400,000 (approximately S\$3,258,240);
- (b) the estimated cash liabilities of the Group (less the Sri Lanka Sub-Group) net of cash balance from 1 July 2022 to the Completion Date shall not be more than US\$2,500,000 (approximately S\$3,394,000); and
- (c) the aggregate cash liabilities of the Company pursuant to the Proposed Debt Restructuring and after the completed the divestment of its 80.0% shareholding interests in Yichang Smartpower Green Electricity Co. Ltd. shall not be more than S\$1,357,600. We note that the Company has completed the divestment of its 80.0% shareholding interests in Yichang Smartpower Green Electricity Co. Ltd. in September 2024.

3.6 INTER-CONDITIONALITY

Completion of the Proposed Subscription and Proposed Grant of Options shall be inter-conditional with the completion of the Proposed Share Consolidation, the Proposed Debt Restructuring and the Proposed Issue of Settlement Shares, such that the Financial Conditions are met.

Ordinary resolutions relating to the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution and the Proposed Share Consolidation are also inter-conditional (the **"Inter-conditional Resolutions"**). Accordingly, if any of the Inter-conditional Resolutions is not approved by Shareholders at the EGM, none of the Inter-conditional Resolutions will be passed.

3.7 LONGSTOP DATE

The longstop date for the Proposed Subscription is 2 August 2025 or such other date as may be mutually agreed between the parties to the CSA.

3.8 BASIS OF THE SUBSCRIPTION PRICE, THE EXERCISE PRICE AND THE CONVERSION PRICE

The Shares have been suspended from trading for more than five (5) years. Accordingly, there is no recent market price for the Shares.

The Exercise Price and the Conversion Price are determined based on the Subscription Price. On pre-consolidation basis, the Exercise Price and the Conversion Price represent premium of 10% to the Subscription Price.

The Subscription Price was determined based on the gross amount injected by the Subscriber and the estimated percentage shareholding of the Subscriber upon the completion of the Proposed Subscription and the allotment and issue of the Settlement Shares under the Proposed Debt Restructuring.



Accordingly, based on the above, the Subscription Price is S\$0.0000766, the Exercise Price is S\$0.084 (on consolidated basis) and the Conversion Price is at S\$0.0842 (on consolidated basis). Please refer to section 7.7 of the Circular for the calculation of the consolidated issue price of the Option Shares and Conversion Shares.

For reference purposes, the closing price of the Shares and the volume weighted average price ("VWAP") for each Share traded done on 31 January 2019 (being the last market day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019) were S\$0.002 (the "LMD Closing Price") and S\$0.002 (the "LMD VWAP") respectively. The Subscription Price represents 96.1% discount to the LMD Closing Price and LMD VWAP while the Exercise Price and the Conversion Price represent approximately 95.8% discount to the LMD Closing Price and LMD VWAP.

4. THE PROPOSED WHITEWASH RESOLUTION

4.1 ABOUT THE SUBSCRIBER

We extract the following information from section 2.1 of the Circular:

As at the Latest Practicable Date, the Subscriber is a company duly incorporated and existing under the laws of the Republic of Seychelles and having its registered office at Vistra Corporate Services Centre, Suite 23, 1st Floor, Eden Plaza, Eden Island, Mahe, Republic of Seychelles. The Subscriber is jointly owned by Mr. Patrick Tay and Mr. Elson Yin with equal shareholding. The director of the Subscriber is Mr Patrick Tay.

The Subscriber is principally engaged in the business of infrastructure development in Singapore, Vietnam, the People's Republic of China and South Asia. The founder and sole director of the Subscriber, Mr. Patrick Tay, has acquired the domain knowledge in engineering, procurement, and construction of energy infrastructure projects. Mr. Elson Yin is a private investor. The Subscriber also has experience operating in frontier countries such as Sri Lanka.

As part of the Company's restructuring exercise, RSM was engaged in March 2018 to assist the Company and was instructed by the Company to reach out to potential investor(s) and to facilitate discussions between interested parties and the Company. The Subscriber was one of the parties that RSM reached out to and was accordingly introduced to the Company.

As at the Latest Practicable Date, none of the Subscriber, its directors and shareholders (a) holds any Shares; or (b) is related to any of the Directors, Substantial Shareholders, or their respective Associates. There is also no connection (including business relationship) between any of the Subscriber, directors or their shareholders (where applicable) and the Directors or Substantial Shareholders of the Company. Accordingly, as at the Latest Practicable Date, the Subscriber is not a person who falls within the categories set out in Catalist Rule 812(1) nor is it an "interested person" as defined under Chapter 9 of the Catalist Rules.

The Subscriber has also confirmed with the Company that it and its ultimate beneficial shareholders do not fall within the categories of persons set out in Catalist Rules 804 or 812(1) as at the Latest Practicable Date.



4.2 EFFECTS TO THE SHAREHOLDING OF THE SHAREHOLDERS AFTER THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES, THE SETTLEMENT SHARES, THE OPTION SHARES AND THE CONVERSION SHARES AS WELL AS THE PROPOSED SHARE CONSOLIDATION

As mentioned in paragraph 1.1 of this IFA Letter and set out in section 5 of the Circular, the allotment and issue of the Subscription Shares will result in the Subscriber and its concert parties holding more than 30% interest in the enlarged share capital of the Company, thereby incurring an obligation to make a mandatory general offer for the Shares not already owned or controlled by the Subscriber and its concert parties pursuant to Rule 14 of the Takeover Code, unless such obligation is waived by the SIC and the Proposed Whitewash Resolution is approved by the Whitewash Independent Shareholders at the EGM.

We summarise the changes to the percentage interest to be held by the Subscriber in the share capital of the Company as follows:

Upon completion of the Proposed Subscription, the Proposed Debt Restructuring and the Proposed Share Consolidation

	As at the Latest Practicable Date		After completion of the Proposed Subscription, the Proposed Debt Restructuring and the Proposed Share Consolidation	
	Number of Shares	% interest in the Company	Number of Shares ⁽¹⁾⁽²⁾	% interest in the Company
The Subscriber	-	-	177,298,085	64.90
<u>Director</u>				
Mr. Chew	-	-	75,485	0.03 ⁽³⁾
<u>Substantial Shareholders</u>				
Ezion	5,461,932,000	39.99	43,754,815	16.02 ⁽³⁾
Mr. Patrick Tan Choon Hock and his associates	1,496,269,100 ⁽⁴⁾	10.95	15,469,003	5.66 ⁽⁵⁾
<u>Others</u>				
New shareholders from the allotment and issue of Settlement Shares (other than those listed above) ⁽⁵⁾	-	-	29,888,069	10.94
Existing public Shareholders	6,701,127,435	49.06	6,703,531	2.45
Number of issued Shares	13,659,328,535	100.00	273,188,988	100.00

APPENDIX D – IFA LETTER



Notes:

- (1) Fractional Shares disregarded in the calculation of the Subscription Shares and Settlement Shares.
- (2) Fractional entitlements to be rounded up to the nearest whole Consolidated Share under the Proposed Share Consolidation.
- (3) Please refer to sections 3.5 and 3.6 of the Circular for further information on the Proposed Issue of Settlement Shares to Ezion and Proposed Issue of Settlement Shares to Mr. Chew, paragraph 6 of this IFA Letter for our summary of the Proposed Issue of Settlement Shares to Interested Persons and paragraph 7 of this IFA Letter for our evaluation of the Proposed Issue of Settlement Shares to Interested Persons pursuant to Rule 921(4)(a) of the Catalist Rules.
- (4) These include Shares held by Mr. Patrick Tan Choon Hock indirectly as well as the Shares held by his spouse. Please also refer to section 3.7 of the Circular for further information on the Proposed Issue of Settlement Shares to Mr. Patrick Tan Choon Hock.
- (5) Being the difference between (a) the total Settlement Shares; and (b) the Settlement Shares to be allotted and issued to Directors and Substantial Shareholders.

Upon the full allotment and issue of the Option Shares and Conversion Shares (assuming full allotment and conversion) subsequent to completion of the Proposed Subscription, Proposed Debt Restructuring and the Proposed Share Consolidation

	After completion of the Proposed Subscription and the Proposed Debt Restructuring, the Proposed Share Consolidation, and the allotment and issue of the Option Shares		After completion of the Proposed Subscription and the Proposed Debt Restructuring, the Proposed Share Consolidation, and the allotment and issue of the Option Shares and the Conversion Shares	
	Number of Shares ⁽¹⁾⁽²⁾	% interest in the Company	Number of Shares ⁽¹⁾⁽²⁾	% interest in the Company
The Subscriber ⁽³⁾	370,715,889	79.45	492,509,239	83.70
<u>Director</u>				
Mr. Chew	75,485	0.02	75,485	0.01
<u>Substantial Shareholders</u>				
Ezion	43,754,815	9.37	43,754,815	7.44
Mr. Patrick Tan Choon Hock and his associates	15,469,003	3.32	15,469,003	2.63
<u>Others</u>				
New shareholders from the allotment and issue of Settlement Shares (other than those listed above)	29,888,069	6.41	29,888,069	5.08

APPENDIX D – IFA LETTER



	After completion of the Proposed Subscription and the Proposed Debt Restructuring, the Proposed Share Consolidation, and the allotment and issue of the Option Shares		After completion of the Proposed Subscription and the Proposed Debt Restructuring, the Proposed Share Consolidation, and the allotment and issue of the Option Shares and the Conversion Shares	
Existing public Shareholders	6,703,531	1.44	6,703,531	1.14
Number of issued consolidated Shares	466,606,792	100.00	588,400,142	100.00

Notes:

- (1) Fractional Shares disregarded in the calculation of the Option Shares and Conversion Shares.
- (2) Fractional entitlements to be rounded up to the nearest whole Consolidated Share under the Proposed Share Consolidation.
- (3) Assuming that the Subscriber continues to hold all of the Subscription Shares and does not transfer the Options and fully exercises the Options prior to the conversion of the Proposed Convertible Loan. Shareholders may note that the Subscriber may exercise the Options or its rights to convert the Proposed Convertible Loan at any time during the respective five (5)-year tenure of the Options and the Proposed Convertible Loan which overlaps each other.

4.3 CONDITIONS OF THE WHITEWASH WAIVER

The SIC had on 2 May 2025 granted the Whitewash Waiver subject to the satisfaction certain conditions including, *inter alia*, (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Subscription Shares, to the Subscriber, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Subscriber; (b) the Proposed Whitewash Resolution is separate from other resolutions; (c) the Subscriber, parties acting in concert with them and parties not independent of them abstain from voting on the Proposed Whitewash Resolution; and (d) the Company appoints an IFA to advise the Whitewash Independent Shareholders on the Proposed Whitewash Resolution.

Further details of the conditions of the Whitewash Waiver are set out in section 5.2 of the Circular.

4.4 PROPOSED WHITEWASH RESOLUTION SUBJECT TO APPROVAL BY MAJORITY OF THE WHITEWASH INDEPENDENT SHAREHOLDERS

The Proposed Whitewash Resolution is subject to the approval of majority of the Whitewash Independent Shareholders, which shall be carried out by way of poll, as an ordinary resolution in the EGM.

Whitewash Independent Shareholders should note that:

- (a) **the Subscriber and its concert parties will hold in aggregate Shares carrying over 49% of the voting rights of the Company as a result of the allotment and issue of the Subscription Shares, and that the Subscriber will be free to acquire further**



Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and

- (b) **the Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Subscriber at the highest price paid by the Subscriber and parties acting in concert with it for the Shares in the past six (6) months preceding 18 January 2023, being the date of the initial announcement of the execution of the CSA.**

5. EVALUATION OF THE PROPOSED SUBSCRIPTION

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Subscription:

- (a) the rationale for the Proposed Subscriber Transactions;
- (b) the basis of the Subscription Price, the Exercise Price and the Conversion Price as compared to the net asset value ("**NAV**") per Share;
- (c) the historical financial performance of the Group;
- (d) the valuation of the Company as compared with similar precedent transactions;
- (e) the pro forma financial effects of the Proposed Subscriber Transactions;
- (f) the interest rate of the Proposed Convertible Loan; and
- (g) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

5.1 THE RATIONALE FOR THE PROPOSED SUBSCRIBER TRANSACTIONS

The rationale for the Proposed Subscriber Transactions is set out in section 2.2 of the Circular and summarised in paragraph 3.1 of this IFA Letter.

As mentioned in earlier paragraphs, the ordinary resolutions relating to the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution and the Proposed Share Consolidation are inter-conditional upon each other. Accordingly, we have also included the evaluation of key terms of the Proposed Grant of Options and the Proposed Convertible Loan when we evaluate the Proposed Subscription in this IFA Letter.

We have reviewed the rationale for the Proposed Subscriber Transactions and wish to highlight the following points in support of the Proposed Subscriber Transactions:

- (a) trading in the Shares on the SGX-ST has been suspended for more than five (5) years since the Shares last traded on 31 January 2019; and



- (b) without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not have sufficient working capital to operate as a going concern or have a viable proposal for its Resumption Proposal.

The Company's auditors, CLA Global TS Public Accounting Corporation, has included a "Material Uncertainty Relating to Going Concern" matter in respect of the Company's audited financial statements for FY2024. We extract in italics as follows:

We draw attention to Note 2 Going Concern of the financial statements, which indicates that the Group incurred a net loss of US\$1,241,000 for the financial year ended 31 December 2024. As at 31 December 2024, the Group and the Company were in net liabilities positions of US\$50,906,000 and US\$80,217,000 respectively; and in net current liabilities positions of US\$56,050,000 and US\$86,148,000 respectively.

The ability of the Group to fulfil its obligations is dependent on the Group's ability to raise fresh investment funds from the conditional subscription agreement with the investor, restructuring plans to be agreed with creditors and lenders, continuous support from shareholders and the Group generating sufficient cash flows from its continuing operations and asset divestment plans.

These conditions, along with other matters as set forth in Note 2 Going Concern, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We note that the Company had assessed various options and investment proposals (including an earlier investment announced on 10 January 2022 with the Subscriber, which had lapsed as the Subscriber and the Company's creditors were unable to reach an agreement on the terms of the Proposed Debt Restructuring) to assist with the restructuring and recapitalisation of the Group in order to be able to resume the trading of its Shares. The Proposed Subscriber Transactions, together with the Proposed Debt Restructuring, represent the only viable option available to the Company as at the Latest Practicable Date.

5.2 THE SUBSCRIPTION PRICE, THE EXERCISE PRICE AND THE CONVERSION PRICE AS COMPARED TO THE NAV PER SHARE

Given that the trading of the Shares has been suspended for more than five (5) years and there is no market price for the Shares, the NAV of the Group is important in our evaluation of the Subscription Price, the Exercise Price and the Conversion Price.

The NAV of the Group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the Group. As the Group does not have any intangible assets, its net tangible assets ("NTA") is the same as its NAV.

The NAV of a group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the group. The NAV approach may provide an estimate of the value of the Group assuming the hypothetical sale of all their assets over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group, and the balance proceeds, if any, be distributed to all shareholders. Therefore, the NAV is perceived as providing support for the value of the Shares.

5.2.1 The latest NAV of the Group

We summarise the latest financial position of the Group as at 31 March 2025 as follows:

US\$'000	Audited 31 December 2024	Unaudited 31 March 2025
Total assets	21,365	20,940
Total liabilities	(72,271)	(72,638)
Net liabilities attributable to Shareholders	(50,906)	(51,698)

As set out in the above table, the Group had negative NAV as at 31 December 2024 and 31 March 2025. As the Group reported negative NAV, the Subscription Price represents a premium to the negative NAV per Share.

In our evaluation of the Group's financials, we note that the Group reported losses for the past eight (8) financial years since the financial year ended 31 December ("FY") 2017. Please also refer to paragraph 5.3 of this IFA Letter where we evaluate the financial performance of the Group for FY2022, FY2023 and FY2024 as well as the three months ended 31 March ("3M") 2025.

5.2.2 Pro forma NAV of the Group upon completion of the Proposed Debt Restructuring (including the allotment and issue of the Settlement Shares), but prior to the Proposed Subscription

The following pro forma adjustments are for illustrative purposes only and do not represent the actual NAV of the Group after the completion of the Proposed Debt Restructuring (including the allotment and issue of the Settlement Shares). Further, the Proposed Subscription and the Proposed Debt Restructuring are inter-conditional with each other and the Group's negative NAV position will not turnaround with only the completion of the Proposed Debt Restructuring.

We calculate the pro forma NAV per Share immediately after the completion of the Proposed Debt Restructuring but before the allotment and issue of the Subscription Shares and the Proposed Share Consolidation as follows:

US\$'000	Audited 31 December 2024	Unaudited 31 March 2025
NAV of the Group	(50,906)	(51,698)
<u>Pro forma adjustments</u>		
Add: Total liabilities to be settled under the Proposed Debt Restructuring ("Debts") ⁽²⁾	54,932 ⁽²⁾	54,932 ⁽²⁾

APPENDIX D – IFA LETTER



US\$'000	Audited 31 December 2024	Unaudited 31 March 2025
Less: Redeemable exchangeable preference shares extinguished ⁽¹⁾	(7,042)	(7,042)
Pro forma NAV	<u>(3,016)</u>	<u>(3,808)</u>

Notes:

- (1) Redeemable exchangeable preference shares are classified under equity in the Group's balance sheet. Accordingly, the settlement of the redeemable exchangeable preference shares will reduce the Company's equity and will not reduce the Company's liabilities.
- (2) Includes increase in share capital of US\$4,279,000 with the allotment and issue of the Settlement Shares

As set out in the above table, we calculate that the Group will still have negative NAV upon the completion of the Proposed Debt Restructuring. Accordingly, the Subscription Price still represents a premium to the pro forma negative NAV per Share.

5.3 THE FINANCIAL PERFORMANCE OF THE GROUP

We set out the financial performance of the Group for FY2022, FY2023 and FY2024, and the three months ended 31 March ("3M") 2025 as follows:

US\$'000	Re-presented FY2022	Audited FY2023	Audited FY2024	Unaudited 3M2024	Unaudited 3M2025
Revenue	4,801	5,842	6,894	1,331	1,056
Gross profit	2,733	4,267	4,904	906	534
(Loss)/Profit before income tax	(8,649)	1,048	512	(193)	(535)
Loss attributable to owners of the Company	(8,425)	(5,860)	(1,267)	(621)	(718)
Key expense of the Group includes:					
Net finance cost	(2,579)	(2,245)	(2,598)	(514)	(585)
Loss allowance on trade and other receivables	-	(7,642)	(1,421)	(450)	-
Impairment loss, net	(7,861)	-	-	-	-



Revenue

The Company classified its 80%-owned subsidiary corporation, Yichang Smartpower Green Electricity Co., Ltd (“**Yichang**”) as assets of disposal group classified as held for sale as at 31 December 2023 following the management’s decision to dispose Yichang. Accordingly, the revenue, gross profit and profit before income tax of the Group for FY2022 had been re-presented to exclude the corresponding financials of Yichang. The Group completed the disposal of Yichang in September 2024.

As set out in the table above, the revenue of the Group’s remaining operations, being the 13 units of mini-hydroelectric power plants in Sri Lanka under the Sri Lanka Sub-Group, improved from US\$4.8 million in FY2022 to US\$5.8 million in FY2023 and further improved to US\$6.9 million for FY2024. However, the Group reported a lower revenue for 3M2025 as compared to 3M2024. The Company attributed the reason for the decrease to lower rainfall compared to 3M2024 and a lower average tariff rate for 3M2025.

Shareholders may also wish to note that the Group’s operations in Sri Lanka will be affected by the exchange rates between United States dollars and Sri Lankan rupees (“**LKR**”). We set out the historical exchange rates between US\$ and LKR for FY2021, FY2022, FY2023, FY2024 and 3M2025 as follows:

US\$1.00 to LKR	Closing rate at the end of the financial year/period	Average month-end rate for the financial year/period
FY2021	202.77	198.73
FY2022	367.38	330.35
FY2023	323.74	326.29
FY2024	292.97	300.24
3M2025	295.00	296.01

Source: Bloomberg Finance L.P.

Gross profit

With the improving revenue for the three financial years, the Group’s gross profit improved from US\$2.7 million in FY2022 to US\$4.3 million in FY2023 and further improved to US\$4.9 million in FY2024. However, with the lower revenue for 3M2025, the Group’s gross profit also reduced from US\$906,000 for 3M2024 to US\$534,000 for 3M2025.

We calculate that the Group’s gross profit margin to be 56.9%, 73.0%, 71.1% and 50.6% for FY2022, FY2023, FY2024 and 3M2025 respectively.

(Loss)/Profit before income tax

The Group turnaround the loss before income tax of US\$8.6 million in FY2022 to a profit before income tax of US\$1.0 million in FY2023. The loss before income tax in FY2022 was mainly attributed to a non-recurring impairment loss on property, plant and equipment of US\$7.9 million. Excluding such impairment loss, the Group would have lower loss before income tax of US\$0.8 million for FY2022.



For FY2023, the Group's continuing operations recorded other operating income arising from gain on disposal of property, plant and equipment as well as gain on disposal of assets held for sale aggregating US\$1.1 million. Excluding such gains on disposal, the Group's continuing operations would have a loss before income tax of US\$99,000 in FY2023.

For FY2024, despite having a higher gross profit for FY2024 as compared to FY2023, the Group registered lower profit before income tax of US\$512,000 as compared to US\$1.0 million in FY2023. The lower profit before income tax for FY2024 can be attributed to: (a) higher administrative and marketing expenses of US\$3.9 million for FY2024 as compared to US\$2.1 million for FY2023; and (b) higher net finance cost of US\$2.6 million for FY2024 as compared to US\$2.2 million for FY2023. The Group also had non-recurring loss allowance on trade and other receivables of US\$342,000 for its continuing operations in FY2024. Excluding the loss allowance, the Group would have profit before income tax of US\$854,000 from its continuing operations for FY2024.

For 3M2024 and 3M2025, the Group registered loss before income tax of US\$193,000 and US\$535,000 respectively due mainly to its finance expenses.

A key expense which affects the bottom line of the Group is its finance expenses. We calculate that the net finance cost of the Group represented 53.7%, 38.4%, 37.7% and 55.4% of the Group's revenue for FY2022, FY2023, FY2024 and 3M2025 respectively.

Loss attributable to owners of the Company

Despite reporting profit before income tax for FY2023 and FY2024, the Group had net loss attributable to owners of the Company for FY2023 and FY2024 although such losses had reduced from US\$8.4 million in FY2022 to US\$5.9 million in FY2023 and further decreased to US\$1.3 million for FY2024. The loss attributable to owners of the Company for FY2023 was due to loss incurred by the discontinued operations amounting to US\$6.8 million for FY2023. The loss incurred by the Group's discontinued operations for FY2023 was mainly attributed to a loss allowance of US\$7.6 million on its trade and other receivables in FY2023. The loss attributable to owners of the Company for FY2024 was due mainly to higher income tax expenses for FY2024 as the Group registered a profit before income tax for FY2024 and the Group had non-deductible expenses for FY2024.

For 3M2025, the Group had already recorded lower revenue as compared to 3M2024. Coupled with lower gross profit margin and higher finance expenses, the Group also had higher loss attributable to owners of the Company of US\$718,000 for 3M2025 as compared to US\$621,000 for 3M2024.

5.3.1 Outlook of the Group

We note that from the Company's results announcement released on 9 May 2025 that, barring unforeseen circumstances, the plants are expected to continue to operate smoothly and generate a positive operating cashflow. The operations in Sri Lanka are subject to vagaries of changing weather pattern and the effects of climate change. In addition, any unforeseen or unscheduled maintenance may also affect the operations and hence cash flow from the Sri Lanka mini hydro power plants.



Shareholders should also note that the Proposed Convertible Loan, which bears interest of 10% per annum (plus a default interest rate of 5% per annum on outstanding interest amount that has not been paid when due under the Convertible Loan Agreement), will incur finance cost of up to S\$1,025,500 per annum if the Group draws down the entire loan principal.

5.4 THE VALUATION OF THE COMPANY UNDER THE PROPOSED SUBSCRIBER TRANSACTIONS AS COMPARED TO RECENT SIMILAR TRANSACTIONS UNDERTAKEN BY OTHER COMPANIES LISTED ON THE SGX-ST

In assessing the Proposed Subscriber Transactions, we have also considered similar recent transactions undertaken by other companies listed on the SGX-ST (the “**Precedent Comparable Transactions**”) which had their shares suspended from trading and had sought whitewash resolutions in relation to allotment and issue of new ordinary shares for cash as part of their resumption of trading proposals.

We wish to highlight that the Precedent Comparable Transactions are not exhaustive. Further, Shareholders should note that circumstances leading to the Precedent Comparable Transactions are unlikely to be identical to the Company’s. As such, any comparisons made with respect to the Precedent Comparable Transactions merely serve an illustrative purpose only.

The information presented herein relating to the Precedent Comparable Transactions has been compiled from publicly available information. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We set out the key information of the Precedent Comparable Transactions as follows:

Name of listed company	Date of circular	Circumstances	Basis of issue price	Implied value of the listed company on enlarged basis	Price-to-NAV or net tangible assets on enlarged basis
Hoe Leong Corporation Limited	1 June 2021	Trading in its shares on the SGX-ST Mainboard had been suspended on 2 September 2019 As at 30 June 2020, the company had adjusted NAV of S\$9.2 million	A discount of approximately 12.5% to the VWAP for trades done on the last full market day when the shares were traded prior to the trading suspension	S\$21.85 million (based on the gross proceeds of S\$12 million and the investor’s shareholding of 54.92% post investment)	0.9 times
Viking Offshore and Marine Limited	15 June 2021	Trading in its shares on the SGX-ST Catalist had been suspended on 14 June 2019 As at 31 March 2021, the company had net liabilities of S\$22.1 million	A discount of approximately 98% to the VWAP for trades done on the last full market day when the shares were traded prior to the trading suspension	S\$2.3 million (based on the gross proceeds of S\$2 million and the investors shareholding of 87% post placement)	0.6 times

APPENDIX D – IFA LETTER



Name of listed company	Date of circular	Circumstances	Basis of issue price	Implied value of the listed company on enlarged basis	Price-to-NAV or net tangible assets on enlarged basis
Sen Yue Holding Limited	6 July 2022	Trading in its shares on the SGX-ST Catalist had been halted on 28 April 2020 and subsequently suspended, since 4 May 2020 As at 30 September 2020, the company had audited consolidated NAV of S\$7,918,000 After taking into account impairment loss of approximately S\$4.7 million and professional fees of approximately S\$2.8 million, its adjusted consolidated NAV amounted to approximately S\$418,000	A discount of 82.0% to the VWAP of S-\$0.022 per Share for trades done on the SGX-ST for the full market day on 27 April 2020	S\$12.95 million (based on the gross proceeds of S\$9.02 million and the subscribers' shareholding of 69.6% post investment)	0.7 times
No Signboard Holdings Ltd.	8 November 2022	Trading in its shares on the SGX-ST Catalist had been suspended on 24 January 2022 As at 30 September 2021, the company had audited net liabilities of approximately S\$2.4 million	A discount of 98.9% to the VWAP of S\$0.031 per share for trades done on the SGX-ST for the full market day on 24 January 2022	S\$6.0 million (based on the gross proceeds of S\$5.0 million and the investor's shareholding of 83.0% post investment)	2.3 times
Hiap Seng Engineering Ltd	6 November 2023	Trading in its shares on the SGX-ST Mainboard had been suspended on 28 November 2019 As at 31 March 2023, the company had unaudited net liabilities of approximately S\$17.4 million	Discounts of between 70.2% and 72.9% to the VWAP of S\$0.02 per share for trades done on the SGX-ST for the full market day on 26 November 2019	S\$20.3 million to S\$28.3 million (based on the gross proceeds of S\$8.0 million from the subscription shares and additional S\$8.0 million if the investors exercise their options) and the investors' shareholding of 39.41% post investment and 56.54% post exercise of options)	1.0 to 1.2 times

APPENDIX D – IFA LETTER



Name of listed company	Date of circular	Circumstances	Basis of issue price	Implied value of the listed company on enlarged basis	Price-to-NAV or net tangible assets on enlarged basis
Nam Cheong Limited	7 February 2024	Trading in its shares on the SGX-ST Mainboard had been suspended on 28 April 2020 As at 30 September 2023, the company had unaudited net liabilities of approximately RM575.86 million	Discount of 82.5% to the VWAP of S\$0.004 per share for trades done on the SGX-ST for the full market day on 27 April 2020	S\$29.1 million (based on the gross proceeds of S\$8.7 million from the placement shares and the 30.01% shareholding represented by the placement shares)	9.1 times
The Company	20 May 2025	The Shares were last traded on 31 January 2019 As at 31 March 2025, the Company had unaudited net liabilities of approximately US\$51.7 million	The Subscription Price represents a discount of 96.1% to the LMD VWAP while the Exercise Price and the Conversion Price represent a discount of 95.8% to the LMD VWAP	S\$20.9 million (based on the gross proceeds of S\$13.6 million and the Subscriber's shareholding of 64.9% post allotment and issue of Subscription Shares) The value will increase to S\$37.6 million if the Subscriber exercises the Options in full and further increase to S\$46.1 million if the Subscriber converts the full principal of the Proposed Convertible Loan	2.2 to 2.9 times

Note:

- (1) Calculated based on the resultant NAV or net tangible asset value of the listed company after the completion of the transactions as presented in the pro forma financial effects sections of the circulars published by the respective companies.

Source: The circulars published by the companies.

As set out in the table above, the implied value of the Company on based on the Enlarged Share Capital is within the range of the implied values of the Precedent Comparable Transactions of between S\$2.30 million and S\$29.1 million. The implied values of the Company on based on the Options Enlarged Share Capital and the Convertible Loan Enlarged Share Capital will be higher than the range of the implied values of the Precedent Comparable Transactions.

We have also calculated the price-to-NAV or net tangible assets ("P/N ratio") of the Precedent Comparable Transactions on an enlarged basis after the completion of the transactions based on the resultant NAV or net tangible asset value of the listed company as presented in the pro forma financial effects sections of the circulars published by the respective companies. Excluding the P/N Ratio of Nam Cheong Limited which is identified as an outlier, the P/N Ratio based on the Enlarged Share Capital of 2.9 times is higher than the range of the P/N Ratios of the Precedent Comparable Transactions. The P/N Ratio based on the Options Enlarged Share



Capital and the Convertible Loan Enlarged Share Capital of 2.2 times is within the range and at the higher range of the P/N Ratios of the Precedent Comparable Transactions of between 0.6 times and 2.3 times.

5.5 THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED DEBT RESTRUCTURING

Shareholders may wish to know that the pro forma financial effects set out in section 9 of the Circular are calculated based on the Group's latest audited financials for FY2024.

As set out in section 9 of the Circular:

- (a) the loss per Share of the Group for FY2024 will turnaround from 0.009 US cents to an earnings per Share of 0.01609 US cents (before the Proposed Share Consolidation) upon the completion of the Proposed Subscriber Transactions and the Proposed Debt Restructuring, but before the allotment and issue of the Option Shares and the Conversion Shares. We understand that this is because the Company will recognise gains from the extinguishment of Debts under the Scheme of Arrangement. The earnings per Share will be diluted from 0.01609 US cents (before the Proposed Share Consolidation) to 0.00721 US cents (before the Proposed Share Consolidation) upon the allotment and issue of the Option Shares and the Conversion Shares as the share capital of the Company will increase without any corresponding increase in earnings;
- (b) the net tangible liabilities per Share of the Group as at 31 December 2024 will also turnaround from 0.37 US cents to a net tangible assets per Share of 0.00266 US cents (before the Proposed Share Consolidation) upon the completion of the Proposed Subscriber Transactions and the Proposed Debt Restructuring, but before the allotment and issue of the Option Shares and the Conversion Shares. As set out in paragraph 5.2.2 of this IFA Letter, we calculate that the Group's unaudited net liabilities as at 31 December 2024 would have improved from US\$50.9 million to US\$1.7 million with the extinguishment of Debts under the Scheme of Arrangement. The Subscription Price, although is at a significant discount to the LMD VWAP, represents a premium to the pro forma negative NAV per Share;
- (c) the net tangible assets per Share of the Group as at 31 December 2024 will further improve from 0.00266 US cents (before the Proposed Share Consolidation) to 0.00370 US cents (before the Proposed Share Consolidation) upon the allotment and issue of the Option Shares and the Conversion Shares as the Exercise Price at S\$0.084 (on a consolidated basis) and the Conversion Price at S\$0.0842 (on a consolidated basis) are at premium to the pro forma net tangible assets per Share of 0.00266 US cents (before the Proposed Share Consolidation); and
- (d) the Group's gearing ratio of negative 0.63 times as at 31 December 2024 will turnaround to have a net cash position upon the completion of the Proposed Subscriber Transactions and the Proposed Debt Restructuring as well as the allotment and issue of the Option Shares and the Conversion Shares.

5.6 THE INTEREST RATE OF THE PROPOSED CONVERTIBLE LOAN

As one of the Resumption Conditions imposed by the SGX-ST as further detailed in section 1.7 of the Circular, the Subscriber has entered into the Convertible Loan Agreement to extend an



interest-bearing convertible loan of up to S\$10,255,000 to the Group. We compare the 10% per annum interest rate as follows:

5.6.1 The interest rates of the existing borrowings of the Group

We note from the annual report of the Group for FY2024 that the Group had nominal interest rates of between 3.04% and 7.23% per annum for its US\$-denominated secured borrowings outstanding as at 31 December 2024 and nominal interest rates of between 14% and 21% per annum for the LKR-denominated borrowings (comprising secured loans and lease liabilities) outstanding as at 31 December 2024.

In addition, on the Company's announcement dated 20 December 2024, the Company disclosed that the Original Outstanding Amounts bear an interest rate of 15% per annum and a default interest rate of 3% per annum.

The Interest of 10% per annum of the Proposed Convertible Loan is higher than the interest rates on the US\$-denominated existing secured borrowings of the Group as at 31 December 2024 but is lower than the interest rate of the Original Outstanding Amounts applicable as at the Latest Practicable Date. In addition, the Proposed Convertible Loan is unsecured while the US\$-denominated existing borrowings were secured borrowings.

5.6.2 The prime lending rates of banks and finance companies in Singapore

We compare the Interest of 10% per annum of the Proposed Convertible Loan against the prime lending rates of banks and finance companies in Singapore as at the Latest Practicable Date as follows:

Singapore	Prime lending rates of banks and finance companies for S\$-denominated loans: Between 4.25% and 6.875% with an average of 5.696% ⁽¹⁾
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Note:

(1) Based on the prime lending rates set out in the website of The Association of Banks in Singapore.

Prime lending rates are the utilised by banks and finance companies to determine the interest rates they wish to impose on loans extended to a selected group of corporate clients with good credit standing. Such rates are usually determined based on the financial institutions' cost of funds, plus a spread to cover relevant risks and generate profit from the loan extended.

The Interest of 10% per annum of the Proposed Convertible Loan is higher than the range of the prime lending rates of banks and finance companies in Singapore. However, as set out in paragraph 5.2 of this IFA Letter, the Group had negative net assets as at 31 December 2024 and 31 March 2025, and as set out in paragraph 5.2.1 of this IFA Letter, the Group reported losses for the past eight (8) financial years since FY2017. Further, as at the Latest Practicable Date, the existing loan agreements of the Group continue to be in force and remain in default until the Proposed Subscriber Transactions becomes effective. The Group is unlikely to have a good credit standing in the current circumstances.



Shareholders may also wish to note that credit standing assessment varies from financial institutions to financial institutions, and financial institutions may also impose more covenants, conditions or request for other forms of security to ensure the recoverability of the loans extended. Accordingly, the comparison above serves as illustrative purposes only.

5.6.3 Default interest of 5.0% per annum

We note that:

- (a) it is not uncommon for lenders to impose a penalty on late payment; and
- (b) the default interest is only applicable to the outstanding unpaid interest which is payable semi-annually as the Proposed Convertible Loan is a five (5) years loan and the outstanding principal amount of the Proposed Convertible Loan shall be automatically converted into Conversion Shares at the applicable Conversion Price on the maturity date of the Proposed Convertible Loan.

5.7 OTHER CONSIDERATIONS

In determining whether the terms of the Proposed Subscription are fair and reasonable, we have also considered the following:

5.7.1 No trading of Shares for more than five (5) years

The Shares were last traded on 31 January 2019 and there has been no trading of the Shares on the SGX-ST Catalist for more than five (5) years.

5.7.2 Resumption of trading

On 9 December 2024, the SGX-ST confirmed that it had no objection to the resumption of trading by the Company subject to:

- (a) the Company obtaining Shareholders' approval at the EGM for the Proposed Subscriber Transactions and the Whitewash Waiver from SIC;
- (b) the Subscriber entering into the Convertible Loan Agreement for the outstanding balance of the loan with the Subscriber in compliance with the Catalist Rules; and
- (c) the Company making regular updates on SGXNet on its progress in meeting these key milestones,

collectively, the "**Resumption Conditions**".

The decision of the SGX-ST will not be effective if any of the Resumption Conditions has not been fulfilled.

5.7.3 Abstention from voting

The Subscriber and its concert parties do not hold any Shares as at the Latest Practicable Date.



5.7.4 Dilution to existing public Shareholders

We calculate that the percentage interest of existing public Shareholders will be diluted to 1.14% upon the completion of the Proposed Subscription, the full exercise of the Options by the Subscriber and the full conversion of the principal under the Proposed Convertible Loan, from 49.06% as at the Latest Practicable Date.

Despite the significant dilution, the underlying value of the Shares held by the Shareholders will improve from net liability to positive NAV upon the completion of the Proposed Subscription and the Proposed Debt Restructuring, which are inter-conditional upon each other.

As mentioned in previous paragraphs, ordinary resolutions relating to the Proposed Subscriber Transactions, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution and the Proposed Share Consolidation are Inter-conditional Resolutions. If any of the Inter-conditional Resolutions is not approved by Shareholders at the EGM, none of the Inter-conditional Resolutions will be passed. In such event, given the negative liabilities of the Group as at 31 March 2025, there will be no residual value remaining for Shareholders.

5.7.5 Inter-conditionality of resolutions

As mentioned in previous paragraphs, ordinary resolutions relating to the Proposed Subscriber Transactions, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution and the Proposed Share Consolidation are Inter-conditional Resolutions. If any of the Inter-conditional Resolutions is not approved by Shareholders at the EGM, none of the Inter-conditional Resolutions will be passed.

The Inter-conditional Resolutions are inter-conditional for the following reasons:

- (a) without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not have sufficient working capital to operate as a going concern or have a viable proposal for its Resumption Proposal;
- (b) the approval to be obtained for the Proposed Issue of Settlement Shares is a condition precedent to the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan and the Proposed Debt Restructuring;
- (c) the Proposed Transfer of Controlling Interest and the Proposed Whitewash Resolution is required as a consequence of the allotment and issue of Subscription Shares to the Subscriber under the Proposed Subscription;
- (d) the Proposed Share Consolidation will facilitate the resumption of trading of the Shares following Completion given that the minimum trading price on the Catalist of the SGX-ST is S\$0.001; and
- (e) all of the above transactions are necessary for the purposes of the Resumption Proposal and the receipt of a no-objection letter from the SGX-ST for the Resumption Proposal is a condition precedent.



5.7.6 Implications of the approval of the Proposed Whitewash Resolution

The allotment and issue of the Subscription Shares will allow the Subscriber to hold more than 50% of the enlarged share capital of the Company. This will allow the Subscriber and its associates to significantly influence any corporate actions of the Company with such shareholding, except where the Subscriber and its associates are required by rules or authorities to abstain from voting.

The Subscriber will hold more than 75% interest in the Options Enlarged Share Capital and/or the Convertible Loan Enlarged Share Capital if the Subscriber exercises all its Options and fully convert the Convertible Loan. The Subscriber and its concert parties will be able to pass all ordinary and special resolutions on matters in which the Subscriber and its associates do not have an interest and which are tabled for Shareholders' approval at a general meeting.

Such concentration of ownership may also have the effect of delaying, preventing or deterring a change of control of the Company which may not benefit the Shareholders.

5.7.7 No moratorium on the Subscription Shares, the Option Shares and the Conversion Shares

We understand that no moratorium will be imposed on the Subscription Shares, the Option Shares and the Conversion Shares to be allotted and issued to the Subscriber.

6. THE PROPOSED ISSUE OF SETTLEMENT SHARES TO INTERESTED PERSONS

In connection with the Proposed Debt Restructuring, the Company has convened a scheme meeting for the Scheme of Arrangement on 7 June 2023 and obtained approval from the relevant creditors to proceed with the Scheme of Arrangement. The Order of the High Court of the Republic of Singapore or, where applicable on appeal, the Court of Appeal of the Republic of Singapore (the "**Court**") sanctioning the Scheme of Arrangement was also lodged with the Registrar of Companies on 7 July 2023. The Scheme of Arrangement was further modified by a supplementary scheme sanctioned by the Court on 26 September 2024.

There are two classes of Scheme Creditors under the Scheme of Arrangement, namely, (i) creditors with unsecured claims against the Company ("**Category A Scheme Creditors**"); and (ii) the holders of a S\$9,000,000 five per cent. (5.0%) convertible perpetual capital securities issued by the Company ("**PERPs Holders**", classified as "**Category B Scheme Creditors**").

Ezion and Mr. Chew are under the Category A Scheme Creditors.

The amount due by the Group to Ezion is in relation to unsecured loans extended by Ezion to the Group since 2016. The Company had sought and obtained Shareholders' approval for the loans from Ezion in 2020.

The amount due by the Group to Mr. Chew is in relation to directors' fee for FY2021 and FY2022 which were approved by Shareholders in the annual general meetings of the Company.

In accordance with the sanction by the Court, the Company will be settling the amount due to the Category A Scheme Creditors as follows:



- (a) the distribution of cash of approximately S\$1.15 million with their respective entitlements in accordance with the terms of the Scheme of Arrangement, being approximately a recovery of 1.8% of the total debt of Category A Scheme Creditors;
- (b) the distribution of cash representing approximately 85.0% of the net proceeds from the disposal of the Company's interest in Yichang as mentioned in earlier paragraph, being approximately a recovery of up to 3.6% of the total debt of the Category A Scheme Creditors; and
- (c) the allotment and issue of up to 60,101,045,554 Settlement Shares, with their respective entitlements in accordance with the terms of the Scheme of Arrangement, being approximately a recovery of 7.2% of the total debt of the Category A Scheme Creditors.

In summary, the total recovery for Category A Scheme Creditors (including Ezion and Mr. Chew) is estimated to amount to approximately 12.6% of the total debt of the Category A Scheme Creditors.

6.1 INFORMATION ON INTERESTED PERSON TRANSACTIONS WHICH ARE SUBJECT OF AGGREGATION WITH THE PROPOSED ISSUE OF SETTLEMENT SHARES TO INTERESTED PERSONS

Pursuant to Chapter 9 of the Catalist Rules, the IFA needs to opine on whether the Proposed Issue of Settlement Shares to Interested Persons as well as all other transactions which are the subject of aggregation pursuant to Chapter 9 of the Catalist Rules are on normal commercial terms, and are not prejudicial to the interest of the Company and its minority shareholders.

The Company confirms that there is no transaction which is a subject of aggregation with the Proposed Issue of Settlement Shares to Interested Persons.

7. EVALUATION OF THE PROPOSED ISSUE OF SETTLEMENT SHARES TO INTERESTED PERSONS

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Issue of Settlement Shares to Interested Persons:

- (a) the background of the amounts due to Ezion and Mr. Chew;
- (b) the Proposed Issue of Settlement Shares to Interested Persons are part of the Scheme of Arrangement;
- (c) the Settlement Price is the same as the Subscription Price;
- (d) the shareholdings of Ezion and Mr. Chew before and after the various transactions; and
- (e) other considerations

These factors are discussed in greater detail in the ensuing paragraphs.

7.1 THE BACKGROUND TO THE AMOUNTS DUE TO EZION AND MR. CHEW

As mentioned in earlier paragraph:

- (a) the amounts due to Ezion arose from loans extended by Ezion to the Group since 2016 and the Company has obtained Shareholders' approval for such loans in 2020; and
- (b) the amounts due to Mr. Chew arose from directors' fee for FY2021 and FY2022 which were approved by Shareholders in the annual general meetings of the Company.

We also wish to highlight that both amounts due by the Group to Ezion and Mr. Chew are admitted to the Scheme of Arrangement proposed by the Company and sanctioned by the Court.

7.2 THE PROPOSED ISSUE OF SETTLEMENT SHARES TO INTERESTED PERSONS ARE PART OF THE SCHEME OF ARRANGEMENT

Ezion and Mr. Chew are both classified under Category A Scheme Creditors and are entitled to the same settlements as the other Category A Scheme Creditors.

We calculate the percentage settlement to Ezion and Mr. Chew:

	Amount owing by the Group (S\$)	Amount to be settled in cash (S\$)	Amount to be settled in Settlement Shares (S\$)	Total amount payable by the Group (S\$)	Percentage of recovery of debt
Category A Scheme Creditors	62,700,689	3,457,375	4,603,740	8,061,115	12.9
Ezion	39,949,223	2,202,838	2,932,148	5,134,986	12.9
Mr. Chew	78,750	4,342	5,780	10,122	12.9

As set out above, the recovery percentage of the amounts due to Ezion and Mr. Chew are in line with other Category A Scheme Creditors.

7.3 THE RANKING OF THE SETTLEMENT SHARES

We note that the Settlement Shares, when allotted and issued, shall be duly authorised, validly issued and credited as fully paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Settlement Shares.



7.4 THE SHAREHOLDINGS OF EZION AND MR. CHEW BEFORE AND AFTER THE VARIOUS TRANSACTIONS

We set out the changes to the percentage interest of Ezion and Mr. Chew in the share capital of the Company as follows:

Upon completion of the Proposed Subscription, Proposed Debt Restructuring and the Proposed Share Consolidation

	As at the Latest Practicable Date		After completion of the Proposed Subscription and the Proposed Debt Restructuring and the Proposed Share Consolidation	
	Number of Shares	% interest in the Company	Number of Consolidated Shares ⁽¹⁾	% interest in the Company
Ezion	5,461,932,000	39.99	43,754,815	16.02
Mr. Chew	-	-	75,485	0.02
Number of Shares	5,461,932,000	39.99	43,830,300	16.04

Note:

- (1) Fractional Shares disregarded in the calculation of the Subscription Shares and Settlement Shares.
- (2) Fractional entitlements to be rounded up to the nearest whole Consolidated Share under the Proposed Share Consolidation.

Assuming the full allotment and issue of the Option Shares and Conversion Shares subsequent to completion of the Proposed Subscription, Proposed Debt Restructuring and the Proposed Share Consolidation

	After completion of the Proposed Subscription and the Proposed Debt Restructuring, the Proposed Share Consolidation, and the allotment and issue of the Option Shares		After completion of the Proposed Subscription and the Proposed Debt Restructuring, the Proposed Share Consolidation, and the allotment and issue of the Option Shares and the Conversion Shares	
	Number of Consolidated Shares ⁽¹⁾	% interest in the Company	Number of Consolidated Shares ⁽¹⁾	% interest in the Company
Ezion	43,754,815	9.37	43,754,815	7.44
Mr. Chew	75,485	0.02	75,485	0.01
Number of Consolidated Shares	43,830,300	9.39	43,830,300	7.45

Note:

- (1) Fractional Shares disregarded in the allotment and issue of the Subscription Shares, Settlement Shares, the Option Shares and the Conversion Shares on a consolidated basis upon completion of the Proposed



Share Consolidation. For avoidance of doubts, outstanding shares as at the Share Consolidation Record Date will be consolidated with fractional entitlements to be rounded up to the nearest whole Consolidated Share.

As set out above:

- (a) Mr. Chew has no interest in the Company as at the Latest Practicable Date and will hold 0.04% or less interest in the share capital of the Company after the allotment and issue of the Settlement Shares; and
- (b) while Ezion will remain as a controlling shareholder of the Company after the allotment and issue of the Settlement Shares, the percentage interest of Ezion in the share capital of the Company will be diluted to less than 15% with the allotment and issue of the Option Shares and the Conversion Shares.

7.5 OTHER CONSIDERATIONS

7.5.1 Abstention from recommendation and voting

Mr. Chew has abstained from making any recommendation in relation to the Proposed Issue of Settlement Shares to Mr. Chew.

As Mr. Chew is a director of Ezion, Mr. Chew has also abstained from making any recommendation in relation to the Proposed Issue of Settlement Shares to Ezion.

Ezion will abstain from voting on the resolutions relating to the Proposed Issue of Settlement Shares to Ezion and the Proposed Issue of Settlement Shares to Mr. Chew.

Ezion and Mr. Chew will also ensure that their respective Associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them, in respect of the resolution relating to the Proposed Issue of Settlement Shares to Ezion and the Proposed Issue of Settlement Shares to Mr. Chew.

Ezion, Mr. Chew and respective Associates shall also not accept appointments as proxies unless specific instructions as to voting are given with respect to the Proposed Issue of Settlement Shares to Ezion and the Proposed Issue of Settlement Shares to Mr. Chew.

7.5.2 No moratorium on the Settlement Shares

We understand that no moratorium will be imposed on the Settlement Shares, including those to be allotted and issued to Ezion and Mr. Chew.

7.5.3 Conditionality of the Ordinary Resolutions relating to the Proposed Issue of Settlement Shares to Ezion and the Proposed Issue of Settlement Shares to Mr. Chew

The allotment and issue of the Settlement Shares to Ezion and Mr. Chew are conditional on the Inter-conditional Resolutions as approval is required for the resolution for the Proposed Issue of Settlement Shares for the allotment and issue of the Settlement Shares (including Settlement Shares to Ezion and Mr. Chew).



8. OUR OPINIONS

Having regard to our terms of reference, in arriving at our opinions, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Subscription and the Proposed Issue of Settlement Shares to Interested Persons. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinions. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

8.1 THE PROPOSED SUBSCRIPTION AND THE PROPOSED WHITEWASH RESOLUTION

We set out below a summary of the key factors we have taken into our consideration which supports the “fairness” of the Proposed Subscription:

- (a) the Subscription Price represents a premium to the negative NAV per Share and a premium to the negative pro forma NAV per Share immediately upon the completion of the Proposed Debt Restructuring;
- (b) the implied value of the Company on based on the Enlarged Share Capital is within the range of the implied values of the Precedent Comparable Transactions of between S\$2.30 million and S\$29.1 million;
- (c) the ordinary resolutions in relation to the Proposed Subscription, the Proposed Grant of Options and the Proposed Convertible Loan are part of the Inter-Conditional Resolutions. We note that the implied values of the Company on based on the Options Enlarged Share Capital and the Convertible Loan Enlarged Share Capital will be higher than the range of the implied values of the Precedent Comparable Transactions;
- (d) excluding the P/N Ratio of Nam Cheong Limited which is identified as an outlier, the P/N Ratio based on the Enlarged Share Capital of 2.9 times is higher than the range of the P/N Ratios of the Precedent Comparable Transactions. The P/N Ratio based on the Options Enlarged Share Capital and the Convertible Loan Enlarged Share Capital of 2.2 times is within the range and at the higher range of the P/N Ratios of the Precedent Comparable Transactions of between 0.6 times and 2.3 times; and
- (e) the positive financial effects to the Group as set out in section 9 of the Circular.

We set out below a summary of the key factors we have taken into our consideration which supports the “reasonableness” of the Proposed Subscription:

- (i) the Proposed Subscriber Transactions, together with the Proposed Debt Restructuring, represent the only viable option available to the Company as at the Latest Practicable Date;
- (ii) while the plants in Sri Lanka are expected to continue to operate smoothly and generate a positive operating cashflow (barring unforeseen circumstances), the operations in Sri Lanka are subject to vagaries of changing weather pattern and the effects of climate change. In addition, any unforeseen or unscheduled maintenance may also affect the operations and hence cash flow from the Sri Lanka mini hydro power plants; and



- (iii) other considerations set out in paragraph 5.7 of this IFA Letter and in particular, there will be **no residual value** remaining for Shareholders if any of the Inter-conditional Resolutions is not approved by Shareholders at the EGM as none of the Inter-conditional Resolutions will be passed.

Accordingly, after taking into account the above factors, we are of the opinion that, as of the date hereof, the terms of the Proposed Subscription which are the subject of the Proposed Whitewash Resolution are fair and reasonable, and advise the Board to recommend that Whitewash Independent Shareholders vote FOR the Proposed Whitewash Resolution at the EGM.

8.2 THE PROPOSED ISSUE OF SETTLEMENT SHARES TO INTERESTED PERSONS

We set out below a summary of the key factors we have taken into our consideration:

- (a) the Group had obtained Shareholders' approval in 2020 in respect of the loans obtained by the Group from Ezion since 2016;
- (b) the recovery percentage of the amounts due to Ezion and Mr. Chew are in line with other Category A Scheme Creditors;
- (c) the Settlement Shares, when allotted and issued, shall be duly authorised, validly issued and credited as fully paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares; and
- (d) other considerations set out in paragraph 7.5 of this IFA Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Issue of Settlement Shares to Ezion and the Proposed Issue of Settlement Shares to Mr. Chew are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter, which is prepared pursuant to the Takeover Code and Rule 921(4)(a) of the Catalist Rules, sets out our evaluation of, and opinions on, the Proposed Subscription and the Proposed Issue of Settlement Shares to Interested Persons, as well as our recommendation to the Proposed Whitewash Resolution. This IFA Letter is addressed to the Board and the Independent Directors, as the case may be, and forms part of the Circular. The recommendation made by the Board and the Independent Directors, as the case may be, to the Whitewash Independent Shareholders and the IPT Independent Shareholders, as the case may be, shall remain the responsibility of the Board and the Independent Directors, as the case may be.

APPENDIX D – IFA LETTER



This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHARISMA ENERGY SERVICES LIMITED

(Incorporated in Singapore with limited liability)

(Company Registration Number: 199706776D)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Charisma Energy Services Limited (the “**Company**”) will be held at 51 Cuppage Road, #03-03, Singapore 229469 on **4 June 2025 at 10:00 a.m.** for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

Shareholders should note that Ordinary Resolutions 1 to 4, 8 to 10 are conditional upon the passing of each other (the “Inter-conditional Resolutions”) and Ordinary Resolutions 5, 6 and 7 are conditional on the Inter-conditional Resolutions. Accordingly, this means that if any of the Inter-conditional Resolutions relating to the Proposed Subscription, the Proposed Grant of Options, the Proposed Convertible Loan, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest, the Proposed Whitewash Resolution or the Proposed Share Consolidation are not approved by Shareholders at the EGM, none of the Proposals will be passed.

*Unless otherwise defined or the context otherwise requires, all capitalised terms in this Notice of EGM shall have the meanings ascribed to them in the circular to shareholders of the Company dated 20 May 2025 (the “**Circular**”).*

ORDINARY RESOLUTION 1: THE PROPOSED SUBSCRIPTION

THAT subject to and contingent upon Ordinary Resolutions 2 to 4 and 8 to 10 as set out in this Notice of EGM being passed:

- (a) pursuant to Section 161 of the Companies Act 1967 and for the purposes of Catalist Rules 805(1) and 811(3), approval be and is hereby given for the allotment and issue of the 177,298,084,384 Subscription Shares by the Company to the Subscriber at the issue price of S\$0.0000766 per Subscription Share, representing a discount of approximately 96.2% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019, on the terms and subject to the conditions set out in the CSA; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 2: THE PROPOSED GRANT OF OPTIONS

THAT subject to and contingent upon Ordinary Resolutions 1, 3 to 4 and 8 to 10 as set out in this Notice of EGM being passed:

- (a) for the purposes of Catalist Rules 805(1), 811(3) and 824, approval be and is hereby given for the grant by the Company of 193,416,092,056 unlisted and freely transferable Options for a consideration of S\$1.00, and pursuant to Section 161 of the Companies Act 1967, the subsequent allotment and issue of up to 193,416,092,056 Option Shares arising from the exercise of Options, by the Company to the Subscriber at an exercise price of S\$0.0000842 per Option, representing a discount of approximately 95.8% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019, on the terms and subject to the conditions set out in the CSA; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 2 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 3: THE PROPOSED CONVERTIBLE LOAN

THAT subject to and contingent upon Ordinary Resolutions 1 to 2, 4, and 8 to 10 as set out in this Notice of EGM being passed:

- (a) pursuant to Section 161 of the Companies Act 1967 and for the purposes of Catalist Rules 805(1), 811(3), 812(2), 824 and Chapter 9 of the Catalist Rules, approval be and is hereby given for the transactions contemplated under the Proposed Convertible Loan and the Convertible Loan Agreement including the full conversion of the principal amount of the Proposed Convertible Loan and the allotment and issue of up to 121,751,744,748 Conversion Shares by the Company to the Subscriber, at the issue price of S\$0.0000842 per Conversion Share, representing a discount of approximately 95.8% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019, on the terms and subject to the conditions set out in the Convertible Loan Agreement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 3 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 4: THE PROPOSED ISSUE OF SETTLEMENT SHARES

THAT subject to and contingent upon Ordinary Resolutions 1 to 3 and 8 to 10 as set out in this Notice of EGM being passed:

- (a) pursuant to Section 161 of the Companies Act 1967 and for the purposes of Catalist Rules 805(1) and 811(3), authority be and is hereby given to the Directors to allot and issue up to 82,229,157,781 Settlement Shares at an issue price of S\$0.0000766 per Settlement Share to the REPS Holders and the Scheme Creditors with Approved Scheme Claims, credited as fully paid-up, representing a discount of approximately 96.2% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019, subject to and in accordance with the terms and conditions of the Bilateral Settlement and the Scheme of Arrangement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 4 and implement any of the foregoing as they think fit and in the interests of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 5: THE PROPOSED ISSUE OF SETTLEMENT SHARES TO EZION HOLDINGS LIMITED

THAT subject to and contingent upon Ordinary Resolutions 1 to 4 and 8 to 10 as set out in this Notice of EGM being passed:

- (a) pursuant to Section 161 of the Companies Act 1967 and for the purposes of Catalist Rule 812(1) and Chapter 9 of the Catalist Rules, authority be and is hereby given to the Directors to allot and issue 38,292,882,256 Settlement Shares at an issue price of S\$0.0000766 per Settlement Share to Ezion Holdings Limited, credited as fully paid-up, representing a discount of approximately 96.2% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019, subject to and in accordance with the terms and conditions of the Scheme of Arrangement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 5 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 6: THE PROPOSED ISSUE OF SETTLEMENT SHARES TO MR. CHEW THIAM KENG

THAT subject to and contingent upon Ordinary Resolutions 1 to 4 and 8 to 10 as set out in this Notice of EGM being passed:

- (a) pursuant to Section 161 of the Companies Act 1967 and for the purposes of Catalist Rules 804, 812(1) and Chapter 9 of the Catalist Rules, authority be and is hereby given to the Directors to allot and issue 75,484,934 Settlement Shares at an issue price of S\$0.0000766 per Settlement Share to Mr. Chew Thiam Keng, credited as fully paid-up, representing a discount of approximately 96.2% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019, subject to and in accordance with the terms and conditions of the Scheme of Arrangement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 6 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 7: THE PROPOSED ISSUE OF SETTLEMENT SHARES TO MR. PATRICK TAN CHOON HOCK

THAT subject to and contingent upon Ordinary Resolutions 1 to 4 and 8 to 10 as set out in this Notice of EGM being passed:

- (a) pursuant to Section 161 of the Companies Act 1967 and for the purposes of Catalist Rule 812(1), authority be and is hereby given to the Directors to allot and issue 13,972,732,908 Settlement Shares at an issue price of S\$0.0000766 per Settlement Share to Mr. Patrick Tan Choon Hock credited as fully paid-up, representing a discount of approximately 96.2% to the VWAP of S\$0.002 for each Share based on the trades done on 31 January 2019, being the last full Market Day when the Shares were traded prior to the Shares being suspended from trading on 4 February 2019, subject to and in accordance with the terms and conditions of the Scheme of Arrangement; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 7 and implement any of the foregoing as they think fit and in the interests of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 8: THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO THE SUBSCRIBER

THAT subject to and contingent upon Ordinary Resolutions 1 to 4 and 9 to 10 as set out in this Notice of EGM being passed:

- (a) for the purposes of Catalist Rules 803, approval be and is hereby given for the allotment and issue by the Company of the Subscription Shares to the Subscriber on the terms and subject to the conditions set out in the CSA, which constitutes a transfer of controlling interest in the Company to the Subscriber; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter into and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 8 and implement any of the foregoing as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 9: THE PROPOSED WHITEWASH RESOLUTION

THAT subject to and contingent upon Ordinary Resolutions 1 to 4, 8 and 10 as set out in this Notice of EGM, the Independent Shareholders hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Subscriber in accordance with Rule 14 of the Takeover Code as a result of the allotment and issue of the Subscription Shares to the Subscriber.

ORDINARY RESOLUTION 10: THE PROPOSED SHARE CONSOLIDATION

THAT subject to and contingent upon Ordinary Resolutions 1 to 4, 8 and 9 as set out in this Notice of EGM being passed:

- (a) the Proposed Share Consolidation be and is hereby approved and that authority be and is hereby given for all the Shares in the Company issued to Shareholders as at the Share Consolidation Record Date to be consolidated by consolidating every 1,000 Existing Shares held by each Shareholder as at the Share Consolidation Record Date into one (1) Consolidated Share in the manner set out in the Circular, with any fractional entitlements to be rounded up to the nearest whole Consolidated Share;
- (b) for the Company to issue one (1) Consolidated Share for no consideration pursuant to Section 68 of the Companies Act 1967 to each Shareholder who would otherwise have received a fraction of a Consolidated Share arising from the Proposed Share Consolidation pursuant to paragraph (a) above;
- (c) the Directors and each of them be and are hereby authorised to fix the Share Consolidation Record Date and the date on which the Consolidated Shares will trade on the Catalist of the SGX-ST in board lots of 100 Consolidated Shares in their absolute discretion as they deem fit; and
- (d) any Director be and is hereby authorised to take such steps and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Share Consolidation as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Proposed Share Consolidation as a whole.

Cho Form Po
Company Secretary

Singapore
20 May 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT INFORMATION

Format of meeting

1. The EGM will be held physically at 51 Cuppage Road, #03-03, Singapore 229469 on 4 June 2025 at 10:00 a.m.. Members will not be able to participate virtually. Members, including CPFIS Members and SRS Investors, and (where applicable) duly appointed proxies and representatives, will be able to ask questions and vote at the EGM by attending the EGM in person.

Access to documents

2. Printed copies of this Notice of EGM and the accompanying Proxy Form for the EGM and the Request Form will be sent by post to members. These documents will also be published on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.
3. The Circular may be accessed on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view the Circular. A printed copy of the Circular will not be despatched to members. Members may request printed copies of the Circular by completing and submitting the Request Form sent to them by post through any of the following means:
 - (a) if submitted by post, the instrument must be deposited at the Company's registered office at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095; and
 - (b) if submitted electronically, the instrument must be submitted via email to enquiries@charismaenergy.com,

Submission of questions

4. **Submission of substantial and relevant questions in advance of the EGM.** Members, including CPFIS Members and SRS Investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM, in the following manner:
 - (a) if submitted by post, to the Company's registered office at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095; or
 - (b) if submitted electronically, via email to enquiries@charismaenergy.com,

in each case, by **10:00 a.m. on 27 May 2025** (being seven (7) calendar days from the date of the Notice of EGM). **Shareholders are strongly encouraged to submit questions electronically by email.**

When sending in substantial and relevant questions by post or email, members must also include the following details to enable the Company to verify their status as members: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip). The Company shall be entitled to regard any submission that omits the forementioned information as invalid and not respond to the questions submitted.

Persons who hold Shares through Relevant Intermediaries (other than CPF/SRS investors) should contact their respective Relevant Intermediaries through which they hold such Shares to submit their questions relating to the resolution to be tabled for approval at the EGM based on the abovementioned instructions.

Members (including CPFIS Members and SRS Investors) and, where applicable, appointed proxy(ies) may also ask live at the EGM substantial and relevant questions related to the resolutions to be tabled for approval at the EGM by attending the EGM physically.

5. **Addressing questions.** The Company will endeavour to address all substantial and relevant questions (which are related to the resolution to be tabled for approval at the EGM) received from Shareholders prior to the EGM by publishing the responses to such questions on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> **before 10:00 a.m. on 30 May 2025** (being 48 hours prior to the last date and time for the lodgement of the Proxy Form) (the "**Pre-EGM Reply**"). The Company will address those substantial and relevant questions (which are related to the resolution to be tabled for approval at the EGM) which have not already been addressed in the Pre-EGM Reply, as well as those received live at the EGM itself during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the EGM on SGXNet at the URL: <https://www.sgx.com/securities/companyannouncements> within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from members which are addressed during the EGM.

Participation in EGM/Appointment of proxy(ies)

6. Members, including CPFIS Members and SRS Investors, may participate in the EGM by: (a) attending the EGM in person; (b) raising questions at the EGM or submitting questions in advance of EGM; and/or (c) voting at the EGM (i) by themselves personally; or (ii) through their duly appointed proxy(ies).

Please bring along the NRIC/passport for registration on the day of the EGM so as to enable the Company to verify the identity of the member. Members are requested to arrive early to facilitate the registration process.
7.
 - (a) A member (who is not a Relevant Intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. In relation

NOTICE OF EXTRAORDINARY GENERAL MEETING

to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation

8. A proxy need not be a member of the Company. The Chairman of the EGM, as proxy, need not be a member of the Company.

9. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

- (a) if submitted by post, the instrument must be deposited at the Company's registered office at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095; and
- (b) if submitted electronically, the instrument must be submitted via email to enquiries@charismaenergy.com,

in each case, by **10:00 a.m. on 1 June 2025 (not less than 72 hours before the time appointed for holding the EGM)**.

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the hard copies of the Proxy Form sent to the member or download a copy of the Proxy Form from SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email to enquiries@charismaenergy.com.

10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **10:00 a.m. on 1 June 2025**), as certified by CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.

11. Investors holding shares through relevant intermediaries should approach their relevant intermediaries (which would include, in the case of CPFIS Members and SRS Investors, his/her CPF Agent Banks or SRS Operators). An investor who wishes to vote should approach his/her/its Relevant Intermediary as soon as possible to specify his/her/its voting instructions.

12. CPFIS Members and SRS Investors:

- (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **10:00 a.m. on 23 May 2025**), and such CPFIS Members and/or SRS Investors shall be precluded from attending the EGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its Share Registrar and/or other agents or bodies for any of the Purposes and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

CHARISMA ENERGY SERVICES LIMITED
(Company Registration No. 199706776D)
(Incorporated in the Republic of Singapore)

**PROXY FORM
FOR EXTRAORDINARY GENERAL MEETING**

(Please see notes overleaf before completing this Proxy Form)

IMPORTANT:

Note: Printed copies of this Proxy Form will be sent by post to members and will also be published on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>

1. The EGM will be held, in a wholly physical format at 51 Cuppage Road, #03-03, Singapore 229469 on 4 June 2025 at 10:00 a.m.. **There will be no option for members to participate virtually.**
2. A proxy need not be a member.
3. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies. Where such member's Proxy Form appoints more than one (1) proxy, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the instrument (please refer to Note 3 to this Proxy Form for the definition of **"Relevant Intermediary"**).
4. For CPF/SRS investors who have used their CPF/SRS monies to buy Shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies or appointment of the Chairman of the EGM as proxy.
5. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal Data Privacy

By submitting an instrument appointing proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 20 May 2025.

I/We, _____ (Name) _____ (NRIC/Passport/Co Reg No.*)
of _____ (Address)

being a member/members* of Charisma Energy Services Limited (the **"Company"**), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the EGM as *my/our *proxy to vote for *me/us on *my/our behalf at the EGM to be held at 51 Cuppage Road, #03-03, Singapore 229469 on 4 June 2025 at 10:00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy to vote for, vote against or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder.

If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/ their discretion. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and (including any adjournment thereof), the appointment of the Chairman of the EGM as *my/our proxy will be treated as invalid.

Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or "Abstain", please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Ordinary Resolution	Number of votes FOR ⁽²⁾	Number of votes AGAINST ⁽²⁾	Number of votes ABSTAIN ⁽²⁾
1	To approve the Proposed Subscription			
2	To approve the Proposed Grant of Options			
3	To approve the Proposed Convertible Loan			
4	To approve the Proposed Issue of Settlement Shares			
5	To approve the Proposed Issue of Settlement Shares to Ezion Holdings Limited			
6	To approve the Proposed Issue of Settlement Shares to Mr. Chew Thiam Keng			
7	To approve the Proposed Issue of Settlement Shares to Mr. Patrick Tan Choon Hock			
8	To approve the Proposed Transfer of Controlling Interest			
9	To approve the Proposed Whitewash Resolution			
10	To approve the Proposed Share Consolidation			

Dated this _____ day of _____, 2025

Signature or Common Seal of Member(s)

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

* Delete where inapplicable

Notes:

1. A member should insert the total number of shares held by him/her/it. If the member has shares entered against his/her/its name in the Depository Register (maintained by CDP), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. Printed copies of this Proxy Form will be sent by post to members and will also be published on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>.
3. (a) A member (who is not a Relevant Intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
(b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. In such event, the relevant intermediary shall submit a list of its proxies setting out number and class of shares in relation to which each proxy has been appointed together with the information required in this Proxy Form to the Company.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company. The Chairman of the EGM, as proxy, need not be a member of the Company.
 5. This instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by post, the instrument must be deposited at the Company's registered office at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095; and
 - (b) if submitted electronically, the instrument must be submitted via email to enquiries@charismaenergy.com.

in each case, **by 10:00 a.m. on 1 June 2025 (not less than 72 hours before the time appointed for holding the EGM)**.

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the hard copies of this Proxy Form sent to the member or download a copy of this Proxy Form from SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>, and complete and sign this Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email to enquiries@charismaenergy.com.**

6. Subject to note 10 of this Proxy Form, completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of the proxy, to the EGM.
7. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10. This Proxy Form is not valid for use by CPFIS Members and/or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPFIS Members and SRS Investors: (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10:00 a.m. on 23 May 2025** (being seven (7) business days before the EGM), and such CPFIS Members and/or SRS Investors shall be precluded from attending the EGM.
11. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **10:00 a.m. on 1 June 2025**), as certified by CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.

Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice to EGM dated 20 May 2025.

