

CHARISMA ENERGY SERVICES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199706776D)



PROPOSED DISPOSAL OF 80.0% EQUITY INTERESTS IN YICHANG SMARTPOWER GREEN ELECTRICITY CO., LTD. (THE "YICHANG DISPOSAL")

- COMPLETION OF THE YICHANG DISPOSAL

1. INTRODUCTION

The board of directors (the "**Board**") of Charisma Energy Services Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement dated 19 April 2024 and the circular dated 13 June 2024 (the "**Circular**") in relation to the proposed disposal of the Company's 80.0% equity interests in Yichang Smartpower Green Electricity Co., Ltd. ("**Yichang**").

Unless otherwise defined, capitalised terms used but not defined in this announcement shall have the meanings ascribed to them in the Circular.

2. COMPLETION OF THE YICHANG DISPOSAL

2.1. The Board wishes to announce that the Company has completed the Yichang Disposal on 19 September 2024 (the "**Completion Date**") pursuant to the completion of the closing items as specified below.

(a) In accordance with the Supplemental Agreement (defined below), the Purchaser deposited the First Transfer Price on 12 September 2024 into an escrow account jointly held by the Company and the Purchaser. Subject to regulatory clearance for offshore remittance, the funds will be remitted to the Company once clearance has been obtained.

Additionally, both the Company and the Purchaser confirmed that the delivery obligations under the Agreement have been met and the Purchaser has agreed to exempt the Company from all other obligations (if any) under the Agreement;

(b) the Company and the Purchaser entered into a corporate guarantee agreement, under which the Company has received a corporate guarantee from the Purchaser, to be valid until the date on which the Purchaser has fully paid the Equity Interest Purchase Consideration, with the guaranteed amount being RMB20,000,000, which is to be assigned to CES Yichang Pte. Ltd ("**CESY**") under the Assignment Agreement (defined below); and

(c) the Company entered into an agreement to terminate the counter-guarantee agreement previously entered into in September 2017 between the Company and the holding company of the Purchaser for the Company's 80% share of the project loan by Huaneng Tiancheng ("**HNTC**").

2.2. Accordingly, pursuant to the completion of the Yichang Disposal, Yichang ceased to be a subsidiary of the Company on the Completion Date.

2.3. The Company refers to the following: (i) the Supplemental Agreement obtained from the Purchaser as mentioned in paragraph 2.1(a) above; (ii) the entry into the agreement to terminate the counter-guarantee contract as mentioned in paragraph 2.1(c) above; and (iii) the entry into a supplemental corporate guarantee contract with HNTC as mentioned in paragraph 1(d) of the Company's monthly update announcement dated 30 August 2024, to terminate the corporate guarantee of the Company under the corporate guarantee contract between HNTC and the Company. Accordingly, all liabilities and contingent liabilities of the Company relating to Yichang have ceased on the Completion Date.

3. SUPPLEMENTAL LETTER

The Company had on 19 September 2024 entered into a supplemental to the Agreement Confirmation of Delivery letter with the Purchaser (“**Supplemental Letter**”) to clarify certain terms of the Agreement, including the specific dates for the payment of the Purchase Consideration and the closing items having been delivered. Due to the effective date of the Agreement being later than 30 June 2024 the payment schedule for the Purchase Consideration has been revised accordingly in line with the Agreement.

In addition to the above, the Supplemental Letter indicated that the Company has no further obligations under the Agreement and that the Company is assigning its rights to receive the Purchase Consideration (and any bonus payment) to CESY under the Assignment Agreement (as defined below).

4. FURTHER INFORMATION

In addition to the entry of the Supplemental Letter, the following agreements were entered into, in conjunction with the completion of the Yichang Disposal:

- (a) a payment agreement letter with the Purchaser on 21 August 2024 to confirm the bank account of the Company to which the Purchase Consideration and any bonus payment are to be paid;
- (b) an assignment agreement with CESY on 19 September 2024 (the “**Assignment Agreement**”) to assign all of the Company’s rights to receive the Purchase Consideration (and any bonus payment) under the Agreement to CESY, with effect from the effective date of the Agreement (being 6 September 2024). Under the Assignment Agreement, the Company has also undertaken to CESY that it shall (a) transfer or procure the transfer of all the Purchase Consideration (and any bonus payment) paid by the Purchaser under the Agreement, to a designated bank account of CESY promptly and by no later than 7 working days upon the date of receipt of Purchase Consideration (and any bonus payment) from the Purchaser in the designated bank account of the Company (or in the event that such date of receipt occurs prior to the effective date of the Trust Deed, within 3 working days from the effective date of the Trust Deed); and (b) hold all such monies in trust for the benefit of CESY prior to such transfer.

Please also refer to the announcements dated 28 July 2024 and 13 August 2024, in relation to the supplementary scheme of arrangement and the amended and restated deed of settlement, respectively, for more information on the background of the Assignment Agreement and the changes proposed to the Company’s debt restructuring settlement arrangements due to the instalment payment arrangements of the Purchase Consideration (and any bonus payment).

5. CAUTIONARY STATEMENT

Although the shares of the Company are under suspension, shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

By Order of the Board

Tan Ser Ko
Chief Executive Officer
23 September 2024

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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