

CIRCULAR DATED 15 SEPTEMBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. 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 ADVISOR(S) IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your shares in the capital of Charisma Energy Services Limited (the "**Company**") held through The Central Depository (Pte) Limited (the "**CDP**"), you should immediately forward this Circular (as defined herein) together with the Notice of EGM (as defined herein) and the attached Proxy Form (as defined herein) to the purchaser or transferee, or the stockbroker or other agent through whom the sale or transfer was effected 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 "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Ms. Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg

This Circular has been made available on SGXNet (www.sgx.com) and the Company's website and may be accessed at the URL <https://charismaenergy.com>. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings through a "live" webcast comprising both video (audiovisual) and audio feeds, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to Sections 12 and 13 of this Circular and the Section entitled "**IMPORTANT INFORMATION**" in the Notice of EGM set out on pages N-1 to N-3 of the Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.



CHARISMA ENERGY SERVICES LIMITED

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

THE PROPOSED DISPOSAL OF ALL OF THE COMPANY'S EFFECTIVE INTEREST OF 48.45% IN THE ISSUED AND PAID-UP SHARE CAPITAL OF RISING SUN ENERGY PRIVATE LIMITED

Independent Financial Adviser to the Proposed Disposal



Xandar Capital Pte Ltd

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 28 September 2020 at 9.00 a.m.

Date and time of Extraordinary General Meeting : 30 September 2020 at 9.00 a.m.

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DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires or is otherwise stated, the following definitions shall apply throughout:

“2Q2020 FS”	:	Has the meaning ascribed to the term in Section 3.2 of this Circular
“aggregated value of the Indirect Interest”	:	Has the meaning ascribed to the term in Section 3.2 of this Circular
“Amended and Restated Rupee Loan Agreements”	:	Has the meaning ascribed to the term in Section 6.1.3 of this Circular
“Announcement”	:	The announcement of the Company dated 21 August 2020, a copy of which is available on SGXNet
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“BSIPL”	:	Bhadla Solar Investments Pte Ltd
“BSIPL Receivable”	:	Has the meaning ascribed to the term in Section 3.2 of this Circular
“BSIPL Transfer”	:	Has the meaning ascribed to the term in Section 2.2 of this Circular
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 15 September 2020
“Clarification Announcement”	:	The clarification announcement dated 15 September 2020 to the Announcement, a copy of which is available on SGXNet
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
“Company”	:	Charisma Energy Services Limited
“Completion”	:	Has the meaning ascribed to the term in Section 4.2.2 of this Circular
“Consideration”	:	Has the meaning ascribed to the term in Section 4.2.1 of this Circular
“Constitution”	:	The Constitution of the Company as at the date of this Circular
“Direct Interest”	:	Has the meaning ascribed to the term in Section 2.1 of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened and held by way of electronic means on 15 September 2020 at 9.00 a.m. notice of which is set out on pages N-1 to N-3 of this Circular
“Effective Interest”	:	Has the meaning ascribed to the term in Section 1.1 of this Circular
“Ezion”	:	Ezion Holdings Limited
“FY2019”	:	Financial year ended 31 December 2019
“FY2019 Annual Report”	:	The annual report of the Company for FY2019

DEFINITIONS

“Group”	: The Company and its subsidiaries, collectively, as at the date of this Circular
“IFA”	: Xandar Capital Pte Ltd, the independent financial adviser appointed by the Company to advise the Directors in relation to the Proposed Disposal
“IFA Report”	: Has the meaning ascribed to the term in Section 9 of this Circular
“Independent Valuer”	: BDO Advisory Pte Ltd, the independent valuer appointed by the Company to conduct the Valuation for the purposes of the Proposed Disposal
“Indirect Interest”	: Has the meaning ascribed to the term in Section 2.1 of this Circular
“INR”	: Indian Rupees
“IREDA”	: Has the meaning ascribed to the term in Section 6.1.3 of this Circular
“Latest Practicable Date”	: 10 September 2020, being the latest practicable date prior to the printing of this Circular
“Longstop Date”	: For the purposes of Section 6, 21 November 2020 or such later date as the parties to the SPA may agree in writing
“LPS”	: Has the meaning ascribed to the term in Section 7.1 of this Circular
“Market Day”	: A day on which the SGX-ST is open for trading of securities
“Material Adverse Change”	: For the purposes of Section 6, any event, change or occurrence which, individually or together with any other event, change or occurrence (other than unforeseen events beyond the control of the parties, including but not limited to health emergencies, natural disasters and/or acts of god) has or would, or could be reasonably expected to have, or be likely to result in, a material adverse effect on or cause a material adverse change to the value of the Total Sale Shares whether in relation to the business of the Target Group, operations, assets, liabilities, condition (whether financial, trading or otherwise) or prospects of the Target Group as a whole; for the purposes of this definition, a change will be material if it has an impact that is greater than ten percent (10%) of the consideration paid by the Purchaser for the Total Sale Shares
“Net Proceeds”	: Has the meaning ascribed to the term in Section 4.3 of this Circular
“Notice of EGM”	: The notice of the EGM which is set out on pages N-1 to N-3 of this Circular
“NTL”	: Has the meaning ascribed to the term in Section 7.1 of this Circular
“Ordinary Resolution”	: Has the meaning ascribed to the term in Section 1.2 of this Circular
“Proposed Disposal”	: Has the meaning ascribed to the term in Section 1.1 of this Circular
“Proxy Form”	: The proxy form attached to the Notice of EGM which is set out on pages P-1 to P-3 of this Circular
“Purchaser”	: Has the meaning ascribed to the term in Section 1.1 of this Circular
“Register of Members”	: Register of members of the Company

DEFINITIONS

“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Seller Warranties”	: Has the meaning ascribed to the term in Section 6.3 of this Circular
“Sellers”	: Has the meaning ascribed to the term in Section 1.1 of this Circular
“SFA”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGXNet”	: The system maintained by the SGX-ST for announcements by listed companies
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share”	: An ordinary share in the capital of the Company, and “Shares” shall be construed accordingly
“Shareholders”	: The registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“SIPL”	Sunseap International Pte. Ltd.
“SPA”	: Has the meaning ascribed to the term in Section 1.1 of this Circular
“Takeover Code”	: The Singapore Code on Take overs and Mergers, as amended or modified from time to time
“Target”	: Rising Sun Energy Private Limited
“Target Group”	: The Target, together with all of its subsidiaries
“Total Sale Shares”	: Has the meaning ascribed to the term in Section 1.1 of this Circular
“Uncovered Seller Warranties”	: Has the meaning ascribed to the term in Section 6.3 of this Circular
“Valuation”	: Has the meaning ascribed to the term in Section 4.2.5 of this Circular
“Valuation Report”	: The valuation report issued by the Independent Valuer in relation to the Valuation, where a summary of such Valuation Report (the “Valuation Summary Letter”) is set out in Appendix II of this Circular
“W&I Policy”	: Has the meaning ascribed to the term in Section 6.3 of this Circular
“Yinson Eden”	: Yinson Eden Pte. Ltd.
“Yinson Holdings”	: Yinson Holdings Berhad
“%”	: Per cent or percentage

DEFINITIONS

“S\$” and “cents” : Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

“US\$” and “US\$ cents” : United States dollars and cents, being the lawful currency of the United States of America

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

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

References. 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 include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Catalist Rules. Any reference in this Circular to **“Rule”** or **“Chapter”** is a reference to the relevant rule or chapter in the Catalist Rules.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Catalist Rules or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof, as the case may be.

Agreements and documents. Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

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

Rounding. Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in this Circular may not be an aggregation of the figures that precede them.

Exchange rate. For the purposes of this Circular and in line with the Announcement, unless otherwise stated, an exchange rate of US\$1: INR74.9275 extracted from the website of the Monetary Authority of Singapore on 6 August 2020 has been used.

CAUTIONARY NOTE ON 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, 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. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

CHARISMA ENERGY SERVICES LIMITED

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

Directors:

Mr. Chew Thiam Keng (Non-Executive Chairman and Non-Executive Director)
Mr. Tan Ser Ko (Chief Executive Officer and Executive Director)
Mr. Eng Chiaw Koon (Non-Executive Director)
Mr. Simon de Villiers Rudolph (Independent Non-Executive Director)
Mr. Cheng Yee Seng (Independent Non-Executive Director)
Mr. Lim Chen Yang (Independent Non-Executive Director)

Registered Office:

438B Alexandra Road,
#05-08/10 Alexandra
Technopark,
Singapore 119968

15 September 2020

To: The Shareholders of Charisma Energy Services Limited

Dear Sir / Madam,

THE PROPOSED DISPOSAL OF ALL OF THE COMPANY'S EFFECTIVE INTEREST OF 48.45% IN THE ISSUED AND PAID-UP SHARE CAPITAL OF RISING SUN ENERGY PRIVATE LIMITED

1. INTRODUCTION

1.1. Disposal

On 21 August 2020, the Company announced that it intends to divest all of its interest in the Target (the "**Proposed Disposal**"). A subsequent Clarification Announcement was made by the Company on 15 September 2020 where further information was provided on the Company's disposal of its entire direct and indirect interest in the total issued share capital of the Target amounting to 48.45% (the "**Effective Interest**") (the "**Proposed Disposal**"). Please refer to Section 2 below for further information on the Direct Interest and Indirect Interest held by the Company.

The Company, together with Sunseap International Pte. Ltd. ("**SIPL**") and Bhadla Solar Investments Pte Ltd ("**BSIPL**" collectively with the Company and SIPL, the "**Sellers**"), had entered into a sale and purchase agreement dated 21 August 2020 (the "**SPA**") with Yinson Renewables (S) Pte. Ltd. (the "**Purchaser**"), pursuant to which the Sellers agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Sellers a total of 82,948,457 ordinary shares in the share capital of the Target, comprising 57.5% of the total issued share capital of the Target (the "**Total Sale Shares**"), on the terms and subject to the conditions of the SPA.

1.2. EGM

In view of certain of the relative figures computed on the bases set out in Catalist Rule 1006 (a) to (c) exceeding 50% and involving negative figures, pursuant to Rule 1014 and paragraph 4.6 of Practice Note 10A of the Catalist Rules, the Board is convening the EGM to be held via electronic means on 30 September 2020 at 9.00 a.m. to seek the approval of the Shareholders for the Proposed Disposal (the "**Ordinary Resolution**"). Please refer to Section 8 below for the relative figures computed on the bases set out in Catalist Rule 1006 (a) to (c) for the disposal of the Direct Interest, Indirect Interest and Effective Interest held by the Company.

LETTER TO SHAREHOLDERS

1.3. Circular

The purpose of this Circular is to provide the Shareholders with relevant information relating to the Proposed Disposal, including the rationale for the Proposed Disposal and the financial effects of the Proposed Disposal on the Group and to seek the approval of the Shareholders for the Ordinary Resolution.

2. PROPOSED DISPOSAL

2.1. Effective Interest in the Target

The Company holds its Effective Interest in the the total issued share capital of the Target through:

- (a) its direct interest of 26.87% in the total issued share capital of the Target (the “**Direct Interest**”); and
- (b) its indirect interest of 21.58% in the total issued share capital of the Target (the “**Indirect Interest**”) through its shareholding interest in BSIPL.

2.2. Disposal of Effective Interest in Target

The Company will dispose of its Effective Interest in the following manner:

- (a) all of its Direct Interest to the Purchaser pursuant to the SPA; and
- (b) all of its Indirect Interest via (i) the sale by BSIPL to the Purchaser of its 27.50% shareholding interest in the total issued share capital of the Target pursuant to the SPA; and (ii) the subsequent transfer of the Company’s 66.37% shareholding interest in BSIPL to a member of the management of the Target at a nominal value of US\$1.00 pursuant to a share transfer agreement between the shareholders of BSIPL (the “**BSIPL Transfer**”). Upon Completion and BSIPL Transfer (which is expected to be one (1) business day after Completion), the Company will no longer have any interest in BSIPL and accordingly, cease to hold any interest in the Target. BSIPL is an investment holding company and as the BSIPL Transfer constitutes a disposal, it has been aggregated with the disposal of the Indirect Interest by the Company. Please refer to Section 3.2 below for further information on BSIPL.

3. INFORMATION ON THE TARGET, BSIPL AND THE PURCHASER

3.1. Information on the Target

The Target is a private company limited by shares, with an issued and paid-up share capital of INR1,442,581,860 comprising 144,258,186 ordinary shares. It was incorporated in New Delhi, India on 25 September 2014, with its registered office at S-18, 1st Floor, Green Park Extension, South Delhi, New Delhi-110016, India.

The Target is in the business of developing solar power generation facilities within the Bhadla solar complex in Rajasthan, India. As at the Latest Practicable Date, the Target Group holds two photovoltaic parks within the Bhadla solar complex.

LETTER TO SHAREHOLDERS

The following table shows the shareholders of, and their percentage interest in the Target as at the Latest Practicable Date and upon Completion:

Name of Shareholder	As at the Latest Practicable Date		Upon Completion	
	Number of ordinary shares held in the Target	Direct Interest in the Target	Number of ordinary shares held in the Target	Direct Interest in the Target
The Company	38,769,387	26.87% ⁽¹⁾	-	-
BSIPL ⁽¹⁾	46,883,911	32.50%	7,212,909	5.00%
SIPL	4,508,068	3.13%	-	-
The Purchaser	54,096,820 ⁽²⁾	37.50%	137,045,277 ⁽²⁾	95.00%
Total	144,258,186	100.00%	144,258,186	100.00%

Notes:

- (1) The Company owns 66.37% shareholding interest in BSIPL, a joint venture company. Pursuant to its Direct Interest and Indirect Interest held via BSIPL, the Effective Interest of the Company in the Target is 48.45%, and the 2Q2020 FS were prepared based on the Company's Effective Interest in the Target.
- (2) This does not include any new shares to be issued pursuant to the 23,500,000 compulsorily convertible debentures issued by the Target, of face value INR10 each, which the Purchaser holds.

3.2. Information on BSIPL

BSIPL is a private company limited by shares, with an issued and paid-up share capital of S\$103 comprising 10,000 ordinary shares. It was incorporated in Singapore on 6 August 2015, with its registered office at 438B Alexandra Road #05-08/10 Alexandra Technopark Singapore 119968.

BSIPL is an investment holding company holding shares in the Target. As at the Latest Practicable Date, BSIPL does not hold any other investments or assets. As at the Latest Practicable Date, the shareholders of, and the percentage interest in, BSIPL are as follows:

LETTER TO SHAREHOLDERS

Name of Shareholder	As at the Latest Practicable Date		Upon Completion	
	Number of ordinary shares held in BSIPL	Direct Interest in BSIPL	Number of ordinary shares held in BSIPL	Direct Interest in BSIPL
The Company	6,637	66.37	-	-
Individual shareholder 1 ⁽¹⁾	2,328 ⁽²⁾	23.28	10,000	100.00%
Individual shareholder 2	1,035	10.35	-	-
Total	10,000	100.00%	10,000	100.00%

Note:

- (1) As mentioned in Section 2.2(b) above, the BSIPL Transfer is to individual shareholder 1, being a member of the management of the Target.
- (2) The allotment of 2,283 shares in BSIPL to individual shareholder 1 is pending clearance from the relevant local authority. Pending such allotment, individual shareholder 1 is deemed to hold such shares pursuant to the agreed arrangement among the shareholders of BSIPL.

Based on the Company's latest unaudited consolidated financial statements for its second quarter and/or half yearly results ended 30 June 2020 (the "**2Q2020 FS**"), the book value of BSIPL is US\$26. BSIPL was set up as an investment holding company by its shareholders to invest in the Target. To fund this investment, the Company had advanced BSIPL a total of US\$7.0 million, all of which was directly invested into the Target. As at 30 June 2020, pursuant to this advance, the Company had receivables from BSIPL amounting to approximately US\$7.0 million (the "**BSIPL Receivable**"). The BSIPL Receivable comprises (a) US\$4.6 million as the Company's proportionate investment in the Target through its shareholding in BSIPL, being the Indirect Interest; and (b) US\$2.4 million, being a shareholders' loan to BSIPL for the remaining of the investment in the Target. Pursuant to a proceeds sharing agreement between BSI and its shareholders, BSIPL and its shareholders have agreed that the BSIPL Receivable will be settled through (a) a portion of the Consideration under Section 4.2.1(b) below; and (b) the further amounts due from BSIPL under Section 4.2.3(a) below.

For the purposes of this Circular, references to the disposal of the Indirect Interest comprise (a) the sale by BSIPL of 27.50% shareholding interest in the total issued share capital of the Target; and (b) the BSIPL Transfer, and the value of the Indirect Interest is aggregated as US\$4.6 million (the "**aggregated value of the Indirect Interest**"), comprising the portion of the BSIPL Receivable constituting the Company's Indirect Interest of US\$4.6 million and the book value of BSIPL of US\$26.

LETTER TO SHAREHOLDERS

3.3. Information on the Purchaser

The Purchaser is a private company limited by shares, incorporated under the laws of Singapore. The Purchaser is an indirect wholly-owned subsidiary of Yinson Holdings Berhad (“**Yinson Holdings**”), an integrated offshore production and support services provider company incorporated in Malaysia with its shares listed and quoted on the Main Market of Bursa Malaysia. As at the Latest Practicable Date, neither Yinson Holdings nor the Purchaser holds any Shares in the Company.

Yinson Holdings is the ultimate parent company of Yinson Eden Pte. Ltd. (“**Yinson Eden**”), which was a prospective investor in Ezion Holdings Limited (“**Ezion**”), as previously announced by Ezion on its announcements on SGXNet. Ezion is a controlling shareholder of the Company, which holds 39.99% of the Shares as at the Latest Practicable Date. As announced by Ezion on 1 September 2020, the proposed investment in Ezion by Yinson Eden had lapsed.

During the preparations for the Proposed Disposal and up to the date of the Company’s announcement dated 21 August 2020 on the Proposed Disposal, as the discussions between Yinson Eden and Ezion were ongoing, while no agreement nor arrangement has been entered into between each of Yinson Holdings and the Purchaser, with Ezion and its associates in connection with the Proposed Disposal for the purposes of Rule 904(4) of the Catalist Rules, the Company had engaged Xandar Capital Pte Ltd as the independent financial adviser to opine on the Proposed Disposal, in the interests of good corporate governance and in light of the potential investment in Ezion by Yinson Eden then. Notwithstanding the lapse of the proposed investment by Yinson Eden in Ezion, the Company has included the IFA Report in this Circular. For further information on the opinion on the IFA and the IFA Report, please refer to Section 9 below.

Given that the proposed investment in Ezion by Yinson Eden had lapsed and there is no longer any potential conflict of interests, Ezion will not be abstaining from voting on the Proposed Disposal and no directors will be abstaining from making the recommendation on the Proposed Disposal.

4. RATIONALE FOR THE PROPOSED DISPOSAL, CONSIDERATION AND USE OF NET PROCEEDS

4.1. Rationale for the Proposed Disposal

The Proposed Disposal is in line with the Group’s divestment plans, and is intended to improve the liquidity of the Group and bring in part of the necessary funding for the Group to meet its debt obligations at least in the next 12 months from the date of its audited consolidated financial statements for FY2019.

Based on the book value of the Direct Interest of US\$5.2 million and the aggregated value of the Indirect Interest of US\$4.6 million, there is a surplus of approximately US\$2.6 million of the Consideration to be received by the Company over the value of the Effective Interest.

As at 30 June 2020, the Group has receivables of US\$9.1 million due from the Target and the other Sellers. Through part of the Consideration and additional cash to be received pursuant to the Proposed Disposal, the Group will be able to substantially recover these receivables as full settlement of loans and outstanding amounts. While a loss of US\$0.2 million will be made by the Group due to the settlement, the Board considered the Proposed Disposal as a whole, with the Proposed Disposal resulting in a gain of US\$0.4 million to the Group and providing the Group with liquidity to settle its outstanding obligations.

In light of the above, the Board believes that the Proposed Disposal is in the best interests of the Group and the Shareholders.

LETTER TO SHAREHOLDERS

4.2. Consideration

4.2.1. Consideration for Effective Interest

Based on the total consideration of INR1,100,078,407 (US\$14.7 million) to be paid by the Purchaser for the Total Sale Shares (constituting 57.5% of the total issued share capital of the Target), the consideration for the Company's Effective Interest is an amount of INR926,935,632 (US\$12.4 million) (the "**Consideration**"), comprising:

- (a) an amount of INR514,286,655 (US\$6.9 million) for its Direct Interest; and
- (b) an amount of INR412,648,977 (US\$5.5 million) for its Indirect Interest, based on the Company's shareholding interest in BSIPL. Under the SPA, this is recognised as the Company's allocation as this amount will be paid by the Purchaser to the Company from part of the total consideration due to BSIPL for its proportion of the Total Sale Shares. It will be recognised as partial settlement of the BSIPL Receivable.

4.2.2. Set-off of Consideration

The Consideration will be offset by a deduction of US\$398,475 as the portion of the premium payable by the Company for the W&I Policy as well as an agreed reduction amount in the completion payment between the Company and the Purchaser. The remaining value of the Consideration will be payable in cash to the Company by the Purchaser on completion under the SPA (the "**Completion**").

4.2.3. Settlement of loans and outstanding amounts

In addition to the Consideration, the Company will also receive cash amounts as follows in relation to the settlement of loans and amounts due from the Target and the other Sellers as at 30 June 2020:

- (a) an amount of INR164.8 million (US\$2.2 million) due to the settlement of loans due from BSIPL and SIPL. This amount comprises (i) INR100.8 million (US\$1.3 million), an amount which is recognised under the SPA as the Company's allocation as this amount will be paid by the Purchaser to the Company from part of the total consideration due to BSIPL and SIPL for their respective proportions of the Total Sale Shares; and (ii) INR64 million (US\$0.9 million) to be paid by BSIPL to the Company. The amounts to be paid by BSIPL to the Company will be recognised as settlement of the remaining BSIPL Receivable; and
- (b) within six (6) months from the date of Completion, an amount of INR98 million (US\$1.3 million) from the Target, representing the settlement of amounts due from the Target.

As mentioned in Section 4.1, the Group has receivables of US\$9.1 million due from the Target and the other Sellers as at 30 June 2020. Through the cash receipts as set out in Section 4.2.1(b) (being the receivables attributable to the Indirect Interests) and this Section, the Group will be able to substantially recover these receivables as full settlement of loans and outstanding amounts. The Company is not aware of any material changes to the receivables amount between 30 June 2020 and the Latest Practicable Date.

The net cash receivable by the Company from the Purchaser, the other Sellers and the Target resulting from the Proposed Disposal is US\$15.4 million.

LETTER TO SHAREHOLDERS

4.2.4. Consideration factors

The Consideration, as well as the agreed reduction amount in the completion payment, was arrived at on a willing buyer and willing seller basis after arm's length negotiations between the Parties as well as taking into account a recent offer price by a competitor for the Target. In arriving at the Consideration, the Board took into consideration:

- (a) the financial situation of the Group with the utilization of the proceeds from the Proposed Disposal to reduce the Group's debt obligations to its lenders;
- (b) the anticipated future financial performance of the Target;
- (c) evaluation of financial ratios, including assessment on the Group's rate of returns from the Target's operations as well as comparison of the financial ratio of the Proposed Disposal with a proxy transaction in India of comparable size;
- (d) the value of the Consideration as compared to a competing offer for the Target; and
- (e) the estimated net gain of US\$0.4 million from the Proposed Disposal.

In relation to the BSIPL Transfer which will be at the nominal value of US\$1.00, the Board took into consideration the Proposed Disposal as a whole and is of the opinion that the value of the BSIPL Transfer is reasonable.

4.2.5. Valuation of the Target

The Company has also commissioned the Independent Valuer, BDO Advisory Pte Ltd, to value the Target Group (the "**Valuation**") for the purposes of the Proposed Disposal. For the purposes of the Valuation, the Independent Valuer used the income approach as the primary approach. According to the Valuation Report issued by the Independent Valuer, the value of 100% equity interest in the Target as at 31 May 2020 (being the date on which the negotiations were commenced for the SPA) is between INR1,707.9 million (US\$22.6 million) to INR2,041.7 million (US\$27.0 million). Based on an effective 48.45% equity interest of the Target, the valuation range is between INR827.5 million (US\$10.9 million) to INR989.2 million (US\$13.1 million). The Consideration is within the valuation range. Please refer to the Valuation Summary Letter set out in Appendix II to this Circular for more details.

In accordance with the terms of the SPA, the Consideration is not subject to any adjustments pursuant to the results of the Valuation.

4.3. **Use of proceeds**

Taking the gross proceeds of US\$12.0 million from the Consideration (after the set-off as set out in Section 4.2.2 above), the estimated net proceeds after deducting estimated expenses of US\$0.6 million pertaining to the Proposed Disposal (which includes legal and administrative costs and expenses), would be approximately US\$11.4 million (the "**Net Proceeds**"). The Group, after taking into account its working capital position, intends to apply the Net Proceeds towards repayment of creditors.

5. **FINANCIAL INFORMATION**

5.1. **Value of the Effective Interest**

Based on the 2Q2020 FS, the book value of the Direct Interest is approximately US\$5.2 million and the aggregated value of the Indirect Interest is US\$4.6 million.

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5.2. NTA of the Effective Interest

The NTA value of the Direct Interest as at 30 June 2020 is US\$5.2 million and the aggregated value of the Indirect Interest is US\$4.6 million.

5.3. Net profits attributable to the Effective Interest

Based on the 2Q2020 FS, the net profits attributable to the Effective Interest for half year ended 30 June 2020 is approximately US\$283,000.

5.4. Excess of Consideration over value of Effective Interest

Based on the book value of the Direct Interest of US\$5.2 million and the aggregated value of the Indirect Interest is US\$4.6 million, there is a surplus of approximately US\$2.6 million of the Consideration to be received by the Company over the value of the Effective Interest.

5.5. Gain or loss on disposal

The Proposed Disposal would amount to gain on disposal of approximately US\$0.4 million.

6. OTHER KEY TERMS OF THE PROPOSED DISPOSAL

A summary of the principal terms of the Proposed Disposal as set out in the SPA, aside from the consideration, is set out below.

6.1. Conditions precedent

Completion of the Proposed Disposal is conditional upon, *inter alia*, the following salient conditions being satisfied, fulfilled or waived, as the case may be, before the Longstop Date:

6.1.1. the Purchaser having obtained approval from the board of directors of Yinson Holdings:

- (a) authorising the Purchaser to enter into and perform its obligations under the SPA and the transactions contemplated under the SPA;
- (b) approving the purchase of the Total Sale Shares from the Sellers upon the terms and conditions of the SPA; and
- (c) approving the execution of and the performance by the Purchaser of its obligations under any of the documents related to the transactions contemplated under the SPA;

6.1.2. each of the Sellers having obtained approval from its board of directors:

- (a) authorising such Seller to enter into and perform its obligations under the SPA and the transactions contemplated under the SPA;
- (b) approving the sale of the number of Total Sale Shares to the Purchaser upon the terms and conditions of the SPA; and
- (c) approving the execution of and the performance by such Seller of its obligations under any of the documents related to the transactions contemplated under the SPA;

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- 6.1.3. the Sellers having unconditionally obtained, or caused to be obtained, written acknowledgement from the Indian Renewable Energy Development Agency Limited (the “**IREDA**”) of the irrevocable and unconditional termination and release by IREDA in full, of the guarantees given by the Company and all obligations of the Company, under the rupee loan agreements entered into by the Target’s subsidiaries with the IREDA (the “**Amended and Restated Rupee Loan Agreements**”);
- 6.1.4. the Sellers having unconditionally obtained, or caused to be obtained, in writing, and have disclosed in writing to the Purchaser, all consents, permissions, authorisations, approvals, waivers and agreements of third parties and all authorisations, approvals, registrations, declarations, waivers, filings with any governmental authority, commission, agency or other organisation having jurisdiction over the Group as required under applicable laws and any agreement entered into by the Sellers or otherwise necessary to give effect to the SPA and any transaction contemplated under the SPA, including:
- (a) written consent or no objection certificate from IREDA, under the Amended and Restated Rupee Loan Agreements, including but limited to, in relation to:
 - (i) a change of control in the Target Group;
 - (ii) a transfer of controlling interest in the Target’s subsidiaries and a change in the management set-up in each of the Target’s subsidiaries; and
 - (iii) the amendment of the articles of association of each of the Target’s subsidiaries;
 - (b) written waiver from the Company and one of the Sellers in relation to the restrictions on the transfer of the ordinary shares of the Target under the Articles of Association of the Target; and
 - (c) written waiver from another Seller in relation to the restrictions on the transfer of the ordinary shares of the Target under the Amended and Restated Shareholders’ Deed and the Articles of Association of the Target;
- 6.1.5. one of the Sellers and the Purchaser having agreed on:
- (a) the shareholders' deed to be entered into on or around Completion;
 - (b) the amended articles of association to be adopted by the Target on Completion; and
 - (c) the amended articles of association of the Subsidiaries;
- 6.1.6. the Target, the Purchaser and one of the Sellers having executed a deed of termination in respect of the share pledge deed to be entered into amongst the Target, one of the Sellers and the Purchaser on or around the date of Completion;

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- 6.1.7. to the extent applicable, the Securities Industries Council of Singapore having granted Yinson Eden and its concert parties (and not having revoked or repealed such grant) a waiver of their obligations to make a mandatory general offer under rule 14 of the Takeover Code for the ordinary shares in Ezion not held by Yinson Eden and its concert parties following the issue of ordinary shares in Ezion pursuant to the transactions announced by Ezion and Yinson Holdings on 28 February 2020 (including, where applicable, a waiver to make a general offer for the downstream companies held by Ezion) and from having to comply with the requirements of rule 14 of the Takeover Code;
- 6.1.8. the Target, to the satisfaction of the Purchaser, having:
- (a) rectified the regulatory and corporate discrepancies identified by the Purchaser during the legal due diligence; and
 - (b) duly satisfied its obligations set out in the deed of warranty and performance guarantee;
- 6.1.9. a key current employee of the Target² having executed a service agreement with the Target;
- 6.1.10. the Sellers having unconditionally obtained written consent from the Indian Tax Authority under Section 281 of the Indian Income Tax Act, 1961 in relation to the transfer of the Total Sale Shares to the Purchaser;
- 6.1.11. the Sellers having unconditionally obtained from the Indian Tax Authority a nil withholding tax certificate under Section 197 of the Indian Income Tax Act, 1961 in relation to the transfer of the Total Sale Shares to the Purchaser, provided that, any information provided to the Indian Tax Authority in relation to the application of such nil withholding tax certificate shall be provided to the Purchaser for review in advance and any comments given by the Purchaser in connection therewith shall be taken into account by the Sellers; and
- 6.1.12. the Company, having obtained approval from the Shareholders at an extraordinary general meeting to be duly convened for, *inter alia*, the disposal of the Effective Interest by the Company to the Purchaser.

As at the Latest Practicable Date, the condition in Sections 6.1.3 above have been satisfied.

6.2. Longstop Date

If one or more of the conditions precedent:

- 6.2.1. remains unsatisfied on the Longstop Date, and has not been waived on or before that date; or

² Save for his appointment as a key management personnel of the Target Group, the individual is not related to the Company nor its associates.

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6.2.2. becomes impossible to satisfy on or before the Longstop Date and, if it is a condition which can be waived by a party, has not been waived within five (5) business days of such condition becoming impossible to satisfy,

the Purchaser may give written notice to the Sellers that it wishes to terminate the SPA.

6.3. **Warranty and indemnity insurance policy**

Pursuant to the terms of the SPA, the Purchaser agrees and accepts that its only recourse (if any) in respect of any and all claims, is under the warranty and indemnity insurance policy in favour of the Purchaser in respect of the transactions contemplated under the SPA (the "**W&I Policy**"), save for any claim that any of the title and capacity warranties, business warranties or tax warranties provided by the Sellers (the "**Seller Warranties**") that are expressly excluded from the cover provided by the W&I Policy insurers pursuant to the terms of the W&I Policy (the "**Uncovered Seller Warranties**"), is untrue or inaccurate. The Purchaser's only remedy in respect of any matters related to a claim against the Sellers for a breach of any Uncovered Seller Warranty shall be directly against the Sellers and apportioned amongst the Sellers in accordance with the terms of the SPA or, in the case of an untrue or misleading title and capacity warranty, the Seller that provided such a warranty.

The maximum aggregate liability of the Company, in respect of the aggregate claims in respect of the Uncovered Seller Warranties for a breach of a business warranty or tax warranty, is up to US\$3 million.

6.4. **Termination events**

The SPA shall terminate:

6.4.1. if, before Completion, the Purchaser becomes aware that any of the Seller Warranties was at the date of the SPA, or has since become, untrue or misleading or has been breached, and the Purchaser gives notice to the Sellers that it wishes to terminate;

6.4.2. if, before Completion, the Sellers become aware that any of the warranties provided by the Purchaser was at the date of the SPA, or has since become, untrue or misleading or has been breached, and the Sellers give notice to the Purchaser that they wish to terminate;

6.4.3. if, before Completion, there is a Material Adverse Change and the Purchaser gives notice within fourteen (14) days of such Material Adverse Change to the Sellers that it wishes to terminate; or

6.4.4. if the Purchaser gives notice to the Sellers pursuant to:

- (a) Section 6.2 above;
- (b) the terms of the SPA, in the event of the Sellers' non-compliance with its obligations regarding the conduct of the business of the Target Group before Completion; or
- (c) the terms of the SPA, in the event of the Sellers' non-compliance with or non-performance of its obligations at Completion,
- (d) that it wishes to terminate the SPA.

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6.5. Service agreements

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

7. FINANCIAL EFFECTS

7.1. Financial effects

7.1.1. Illustrative nature of financial effects

The financial effects of the Proposed Disposal on the net tangible liabilities (“**NTL**”) per share and losses per share (“**LPS**”) of the Group, prepared on a proforma basis on the audited consolidated financial statements of the Group for FY2019 and on the assumption that the Net Proceeds are approximately US\$11.4 million, are set out below. The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

7.1.2. NTL

Assuming that the Proposed Disposal had been completed on 31 December 2019, being the end of the most recently completed financial year of the Company, the financial effects on the NTL per Share would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTL (US\$ '000)	(20,505)	(20,074)
No. of issued ordinary shares, excluding treasury shares (in million)	13,657	13,657
NTL per Share, excluding treasury shares (US\$ cents)	(0.15)	(0.15)

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7.1.3. LPS

Assuming that the Proposed Disposal had been completed 1 January 2019, being the beginning of the most recently completed financial year of the Company, the loss attributable to Shareholders and the financial effects on the LPS of the Company for FY2019 would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to Shareholders (US\$ '000)	(25,582)	(25,151)
Weighted average no. of ordinary shares, excluding treasury shares (in million)	13,169	13,169
LPS (US\$ cents) (excluding treasury shares)	(0.19)	(0.19)

7.2. **Share capital**

The Proposed Disposal will not have any impact on the issued and paid-up share capital of the Company.

8. **CATALIST RULE 1006 RELEVANT FIGURES**

8.1. **Relative figures for disposal of Direct Interest**

The relative figures for the disposal of the Direct Interest computed on the applicable basis set out in Rule 1006 of the Catalist Rules and based on the figures reported in the 2Q2020 FS, are as follows:

Rule 1006	Listing Rule	Relative Figures (%)
(a)	The net asset / liabilities value of the assets to be disposed of, compared with the group's net asset / liabilities value. This basis is not applicable to an acquisition of assets.	-21.50 ⁽¹⁾
(b)	The net profits / losses ⁽²⁾ attributable to the assets acquired or disposed of, compared with the group's net profits / losses.	-5.85 ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation ⁽⁴⁾ based on the total number of issued shares excluding treasury shares.	34.42 ⁽⁵⁾
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽⁶⁾

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Rule 1006	Listing Rule	Relative Figures (%)
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	N.A. ⁽⁷⁾

Notes:

- (1) Computed based on the net asset value of the Direct Interest of US\$5.2 million and net liabilities value of the Group of US\$24.3 million as at 30 June 2020.
- (2) "Net profits / losses" means profits or losses including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the net profits attributable to the Direct Interest of approximately US\$0.2 million for the half year ended 30 June 2020 and net losses of the Group of US\$2.7 million for the half year ended 30 June 2020.
- (4) The Company's market capitalisation is determined by multiplying 13,656,697,535 Shares by the volume weighted average price of S\$0.002 per Share on 31 January 2019, being the last traded Market Day immediately preceding the trading halt and suspension thereafter of the Shares on 31 January 2019 and 7 February 2019 respectively.
- (5) Computed based on the consideration attributed to the Direct Interest of S\$9.4 million, and the Company's market capitalisation of S\$27.3 million. The consideration attributed to the Direct Interest is derived by converting INR514,286,655 at an exchange rate of S\$1:INR54.7076 as at 6 August 2020.
- (6) This basis is not applicable as there will be no issuance of equity securities by the Company.
- (7) This basis is not applicable as there is no disposal of mineral, oil or gas assets.

8.2. Relative figures for disposal of Indirect Interest

The relative figures for the disposal of the Indirect Interest computed on the applicable basis set out in Rule 1006 of the Catalist Rules and based on the figures reported in the 2Q2020 FS, are as follows:

Rule 1006	Listing Rule	Relative Figures (%)
(a)	The net asset / liabilities value of the assets to be disposed of, compared with the group's net asset / liabilities value. This basis is not applicable to an acquisition of assets.	-19.07 ⁽¹⁾
(b)	The net profits / losses ⁽²⁾ attributable to the assets acquired or disposed of, compared with the group's net profits / losses.	-4.69 ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation ⁽⁴⁾ based on the total number of issued shares excluding treasury shares.	27.62 ⁽⁵⁾
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽⁶⁾
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	N.A. ⁽⁷⁾

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Notes:

- (1) Computed based on the aggregated value of the Indirect Interest of US\$4.6 million and net liabilities value of the Group of US\$24.3 million as at 30 June 2020.
- (2) "Net profits / losses" means profits or losses including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the net profits attributable to the Indirect Interest of approximately US\$0.1 million for the half year ended 30 June 2020 and net losses of the Group of US\$2.7 million for the half year ended 30 June 2020.
- (4) The Company's market capitalisation is determined by multiplying 13,656,697,535 Shares by the volume weighted average price of S\$0.002 per Share on 31 January 2019, being the last traded Market Day immediately preceding the trading halt and suspension thereafter of the Shares on 31 January 2019 and 7 February 2019 respectively.
- (5) Computed based on the consideration attributed to the Indirect Interest of S\$7.5 million and the nominal value of US\$1.00 for the BSIPL Transfer, and the Company's market capitalisation of S\$27.3 million. The consideration attributed to the Indirect Interest is derived by converting INR412,648,977 at an exchange rate of S\$1:INR54.7076 as at 6 August 2020.
- (6) This basis is not applicable as there will be no issuance of equity securities by the Company.
- (7) This basis is not applicable as there is no disposal of mineral, oil or gas assets.

8.3. Relative figures for disposal of Effective Interest

The relative figures for the Proposed Disposal computed on the applicable basis set out in Rule 1006 of the Catalist Rules and based on the figures reported in the 2Q2020 FS, are as follows:

Rule 1006	Listing Rule	Relative Figures (%)
(a)	The net asset / liabilities value of the assets to be disposed of, compared with the group's net asset / liabilities value. This basis is not applicable to an acquisition of assets.	-40.57 ⁽¹⁾
(b)	The net profits / losses ⁽²⁾ attributable to the assets acquired or disposed of, compared with the group's net profits / losses.	-10.54 ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation ⁽⁴⁾ based on the total number of issued shares excluding treasury shares.	62.03 ⁽⁵⁾
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽⁶⁾
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	N.A. ⁽⁷⁾

Notes:

- (1) Computed based on the collective net asset value of the Direct Interest and the aggregated value of the Indirect Interest of US\$9.9 million and net liabilities value of the Group of US\$24.3 million as at 30 June 2020.
- (2) "Net profits / losses" means profits or losses including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the net profits attributable to the Effective Interest of approximately US\$0.3 million for the half year ended 30 June 2020 and net losses of the Group of US\$2.7 million for the half year ended 30 June 2020.
- (4) The Company's market capitalisation is determined by multiplying 13,656,697,535 Shares by the volume weighted average price of S\$0.002 per Share on 31 January 2019, being the last traded Market Day immediately preceding the trading halt and suspension thereafter of the Shares on 31 January 2019 and 7 February 2019 respectively.

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- (5) Computed based on the Consideration of S\$16.9 million and the nominal value of US\$1.00 for the BSIPL Transfer, and the Company's market capitalisation of S\$27.3 million. The Consideration is derived by converting INR926,935,632 at an exchange rate of S\$1:INR54.7076 as at 6 August 2020.
- (6) This basis is not applicable as there will be no issuance of equity securities by the Company.
- (7) This basis is not applicable as there is no disposal of mineral, oil or gas assets.

8.4. Shareholders' approval

In view of certain of the relative figures computed on the bases set out in Catalist Rule 1006 (a) to (c) exceeding 50% and involving negative figures, pursuant to Rule 1014 and paragraph 4.6 of Practice Note 10A of the Catalist Rules, the Board is convening the EGM for Shareholders to have an opportunity to consider and vote on the Proposed Disposal. Accordingly, the Proposed Disposal is subject to the approval of Shareholders at the EGM.

9. OPINION OF THE IFA

For reasons set out in Section 3.3 above, the Company has appointed Xandar Capital Pte Ltd as the IFA to provide an opinion on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders.

A copy of the letter dated 15 September 2020 from the IFA (the "**IFA Report**"), containing its opinion in full, is set out in Appendix I to this Circular. Shareholders are advised to read the IFA Report in its entirety carefully and consider it in the context of this Circular before deciding on whether to approve the Proposed Disposal.

The following is an extract from Section 5 of the IFA Report and should be read by Shareholders in conjunction with, and in the full context of the IFA Report. Unless otherwise defined or the context otherwise requires, all terms defined in the IFA Report shall have the meanings therein.

"Having regard to our terms of reference, in arriving at our opinion, 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 Disposal. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Report, in particular, all the considerations and information we have taken into account, be read in its entirety.

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

- (a) *the Implied 100% Consideration of INR1,851.61 million is within the range of equity value range of the Target Group as opined by the Independent Valuer;*
- (b) *while the Proposed Disposal will not turnaround the Group's losses and negative assets position, the cash receivable by the Company will alleviate some of the cash flow requirements of the Group;*
- (c) *the Implied 100% Consideration represents a premium of 26.12% to the NAV of the Target Group;*

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- (d) *both the EV/EBITDA ratio and the P/NAV ratio of the Target Group as implied by the Implied 100% Consideration is within the range of the EV/EBITDA ratios and the P/NAV ratios of the Selected Comparable Companies, although the EV/EBITDA ratio of the Target Group as implied by the Implied 100% Consideration is lower than the mean and median EV/EBITDA ratios of the Selected Comparable Companies while the P/NAV ratio of the Target Group as implied by the Implied 100% Consideration is higher than the mean and median P/NAV ratios of the Selected Comparable Companies;*
- (e) *the EV/EBITDA ratio of the Target Group as implied by the Implied 100% Consideration is also higher than the listing EV/EBITDA ratio of a comparable company listed in 2019;*
- (f) *there is no material adverse financial effects to the Group before and after Completion;*
- (g) *the other consideration as set out in paragraph 4.7 of this IFA Report.*

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 Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders.”

In arriving at its opinion, the IFA 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. The IFA recommends 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.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the Company’s register of interests of Directors and register of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Mr. Chew Thiam Keng	-	-	-	-
Mr. Tan Ser Ko	-	-	-	-
Mr. Eng Chiaw Koon	1,000,000	0.01	-	-
Mr. Simon de Villiers Rudolph	10,000,000	0.07	-	-
Mr Cheng Yee Seng	-	-	-	-
Mr. Lim Chen Yang	-	-	-	-
Substantial Shareholders (who are not Directors)				
Ezion Holdings Limited	5,461,932,000	39.99	-	-
Mr. Patrick Tan Choon Hock	1,003,083,100	7.34	493,186,000	3.61

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Notes:

- (1) The percentage of shareholdings is calculated based on the total issued share capital of the Company comprising 13,656,697,535 Shares as at the Latest Practicable Date. The Company does not have any treasury shares as at the Latest Practicable Date.
- (2) Mr. Patrick Tan Choon Hock is able to exercise control over the voting rights of 339,000,000 Shares owned by his spouse, Mdm Serene Lee Siew Kin and 154,186,000 Shares owned by Mr. Patrick Tan Choon Hock are held through nominees.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal.

11. RECOMMENDATION BY THE DIRECTORS

After having considered and reviewed, *inter alia*, the terms, rationale for and benefits of the Proposed Disposal, the Valuation and the IFA Report, the Directors are of the opinion that the Proposed Disposal is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held by way of electronic means on 30 September 2020 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

- 13.1. Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, the Company will conduct the EGM by electronic means only and Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings through a “live” webcast comprising both video (audiovisual) and audio feeds; (b) submitting questions in advance of the EGM, and (c) voting by proxy at the EGM. Please refer to the section entitled “**IMPORTANT INFORMATION**” in the Notice of EGM set out on pages N-1 to N-3 for further details.

13.2. Appointment of proxies

Shareholders who wish to vote on any or all of the resolutions at the EGM must appoint the Chairman of the EGM as their proxy to do so on their behalf. In the Proxy Form, a shareholder should specifically direct the Chairman on how he is to vote for or vote against (or abstain from voting on) each resolution to be tabled at the EGM, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

The instrument appointing the Chairman of the EGM as proxy must be deposited at the registered office of the Company at 438B Alexandra Road, #05-08/10 Alexandra Technopark, Singapore 119968 or sent by email to enquiries@charismaenergy.com not less than forty-eight (48) hours (i.e. by 9.00 a.m. on 28 September 2020), before the time appointed for holding the EGM. The Proxy Form can be downloaded from SGXNet (www.sgx.com) or the Company's website at <https://charismaenergy.com>.

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In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email to enquiries@charismaenergy.com.

13.3. **When Depositor regarded as Shareholder**

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the EGM.

14. **DIRECTORS' 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 enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 those sources and/or reproduced in this Circular in its proper form and context.

15. **CONSENTS**

15.1. **IFA, Xandar Capital Pte Ltd**

The IFA has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name, the IFA Report and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

15.2. **Independent Valuer, BDO Advisory Pte Ltd**

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name, the Valuation Summary Letter and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

15.3. **Legal adviser for the Circular, Morgan Lewis Stamford LLC**

Morgan Lewis Stamford LLC, as the legal adviser to the Company for the Circular, has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name and to act in such capacity in relation to this Circular.

16. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection on Mondays to Fridays during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 438B Alexandra Road, #05-08/10 Alexandra Technopark, Singapore 119968 for three (3) months from the date of this Circular:

LETTER TO SHAREHOLDERS

- (a) the SPA;
- (b) the IFA Report;
- (c) the Valuation Report;
- (d) the letters of consent referred to in Section 15 of this Circular; and
- (e) the Constitution of the Company.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, such physical inspection may be restricted. Please write in to enquiries@charismaenergy.com prior to making any visits to arrange for a suitable time slot for the inspection.

Yours faithfully

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

Tan Ser Ko
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHARISMA ENERGY SERVICES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199706776D)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“EGM”) of Charisma Energy Services Limited (the “Company”) will be held by way of electronic means on 30 September 2020 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution:

Please refer to the section titled “IMPORTANT INFORMATION” below for details.

All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company’s circular dated 15 September 2020 (the “Circular”).

ORDINARY RESOLUTION:

PROPOSED DISPOSAL OF ALL OF THE COMPANY’S EFFECTIVE INTEREST OF 48.45% IN THE ISSUED AND PAID-UP SHARE CAPITAL OF RISING SUN ENERGY PRIVATE LIMITED

That:

- (a) approval be and is hereby given for the disposal of its Effective Interest in the following manner: (i) all of its Direct Interest of 26.87% in the total issued share capital of the Rising Sun Energy Private Limited (the “Target”) pursuant to the sale and purchase agreement dated 21 August 2020 entered into between the Company, its joint venture partners, and Yinson Renewables (S) Pte. Ltd. (the “SPA”); and (ii) all of its Indirect Interest via (A) the sale by Bhadla Solar Investments Pte Ltd (“BSIPL”) to the Purchaser of its 27.50% shareholding interest in the total issued share capital of the Target pursuant to the SPA; and (B) the transfer of the Company’s 66.37% shareholding interest in BSIPL to a member of the management of the Target pursuant to a share transfer agreement between the shareholders of BSIPL.
- (b) the directors of the Company (the “Directors”) or any of them be and are hereby authorised to complete and do all acts and things (including, without limitation, enter into all transactions, arrangements and agreements and approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution and the Proposed Disposal as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company; and
- (c) any acts and things done or performed, and/or any agreements and documents signed, executed, sealed and/or delivered by a Director in connection with this resolution and the Proposed Disposal be and are hereby approved, confirmed and ratified.

BY ORDER OF THE BOARD
CHARISMA ENERGY SERVICES LIMITED

Tan Wee Sin
Company Secretary
15 September 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT INFORMATION

Shareholders of the Company (“Shareholders”) should take note of the following arrangements for the EGM:

- (a) **Attendance in Person:** The EGM will be conducted by electronic means and Shareholders will not be able to attend the EGM physically. All Shareholders or their corporate representatives (in the case of Shareholders which are legal entities) will be able to participate in the EGM proceedings by watching a “live” webcast (the “**Live EGM Webcast**”) or listen to a “live” audio feed (the “**Live EGM Audio Feed**”). Shareholders/Investors holding shares through relevant intermediaries (**other than CPF/SRS investors**) will not be able to pre-register for the “live” broadcast of the EGM. Such Shareholders/investors who wish to participate in the EGM proceedings should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements.
- (b) **Live EGM Webcast and Live EGM Audio Feed:** All Shareholders who wish to follow the proceedings of the EGM will need to pre-register at https://charismaenergy.com/EGM_Pre-registration (the “**Pre-registration Link**”) by 12.00 p.m. on 23 September 2020 (the “**Registration Deadline**”) for verification of their status as Shareholders (or the corporate representatives of such Shareholders) of the Company. Following successful verification, each Shareholder or its corporate representative(s) will receive an email confirmation (“**Confirmation Email**”) by 9.00 a.m. on 28 September 2020 containing instructions to access the live EGM proceedings.

Shareholders or their corporate representative(s) must not forward the abovementioned information to any other persons who are not shareholders and who are not eligible to attend the EGM. This is also to avoid any technical disruptions to the Live EGM Webcast or Live EGM Audio Feed due to overloading.

Shareholders or their corporate representatives who have registered by the Registration Deadline but do not receive the Confirmation Email by 12.00 p.m. on 28 September 2020 may contact the Company for assistance at +65 6571 0200 or email enquiries@charismaenergy.com.

- (c) **Submission of Questions:** Shareholders will not be able to ask questions “live” via the Live EGM Webcast. Shareholders may submit questions related to the resolutions to be tabled at the EGM by post to the Company at 438B Alexandra Road, #05-08/10 Alexandra Technopark, Singapore 119968 or sent by email to enquiries@charismaenergy.com. Questions must be submitted by 12.00 p.m. on 23 September 2020 so that they may be addressed during the EGM proceedings. Shareholders or their representatives (in the case of shareholders which are legal entities) must state his/her full name and whether he/she is a shareholder or a representative of a shareholder which is a legal entity. Any question without the identification details will not be addressed. The Company shall address relevant and substantial questions (as may be determined by the Company in its sole discretion) received by 12.00 p.m. on 23 September 2020, before or during the EGM proceedings. The Company will publish the minutes of the EGM, including substantial and relevant comments or queries from shareholders relating to the agenda of the EGM, and responses from the Company, on SGXNet and the Company’s website within one month after the date of EGM.
- (d) **Voting solely via appointing Chairman of the Meeting as Proxy:** Shareholders may only exercise their voting rights at the EGM via proxy voting. Shareholders who wish to vote on any or all of the resolutions at the EGM must appoint the Chairman of the EGM as their proxy to do so on their behalf. In the Proxy Form, a shareholder should specifically direct the Chairman on how he is to vote for or vote against (or abstain from voting on) each resolution to be tabled at the EGM, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid. The instrument appointing the Chairman of the EGM as proxy must be deposited at the registered office of the Company at 438B Alexandra Road, #05-08/10 Alexandra Technopark, Singapore 119968 or sent by email to enquiries@charismaenergy.com not less than forty-eight (48) hours (i.e. by 9.00 a.m. on 28 September 2020), before the time appointed for holding the EGM. The Proxy Form can be downloaded from SGXNet (www.sgx.com) or the Company’s website at <https://charismaenergy.com>. **In view of the current COVID-19 measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email to enquiries@charismaenergy.com.**
- (e) **Investors who hold through Relevant Intermediaries (including CPF/SRS Investors):** A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited (the “**CDP**”) at least 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote on any or all of the resolutions at the EGM by appointing the Chairman of the EGM as his/her proxy to do so on his/her behalf. In view of Section 81SJ(4) of the Securities and Future Act, Chapter 289 of Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the EGM. Any shareholder who is holding his shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the EGM will not be entitled to attend and vote at the EGM. Accordingly, even if such shareholder deposits his proxy form forty-eight (48) hours before the EGM, the Chairman of the EGM who is appointed as his/her proxy will not be entitled to vote at the EGM. CPF or SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the EGM (i.e. by 9.00 a.m. on 21 September 2020), to ensure that their votes are submitted.

Access to documents or information relating to the EGM

In accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, all documents and information relating to the business of the EGM (including the Circular and the Proxy Form) have been published on SGXNet (www.sgx.com) and the Company’s website at <https://charismaenergy.com>. Printed copies will not be sent to Shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Further Updates

In view of the evolving COVID-19 situation, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the EGM, including any precautionary measures required or recommended by government agencies, in order to curb the spread of COVID-19. Shareholders should continually check for announcements by the Company for updates on the EGM. The Company would like to thank all shareholders for their patience and co-operation in enabling the Company to continue holding its EGM amidst the COVID-19 situation.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the EGM as a proxy to vote at the EGM and/or any adjournment hereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the EGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholders' personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the EGM as a proxy for the EGM (including any adjournment thereof);
- (ii) the processing of the Pre-registration for purposes of granting access to shareholders (or their representatives in the case of shareholders which are legal entities) to the live webcast or live audio feed of the EGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from shareholders received before the EGM and if necessary, following up with the relevant shareholders in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

CHARISMA ENERGY SERVICES LIMITED
(Incorporated in Singapore)
(Company Registration No. 199706776D)

PROXY FORM
EXTRAORDINARY GENERAL MEETING
(Please see notes overleaf before completing this Proxy Form)

IMPORTANT:

1. Shareholders who wish to vote on any or all of the resolutions at the Extraordinary General Meeting ("EGM") must appoint the Chairman of the EGM as their proxy to do so on their behalf.
2. For investors who have used their CPF/SRS monies to buy the Company's shares, 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.
3. CPF or SRS investors who wish to appoint Chairman of the EGM as their proxy should contact their respective Agent Banks or SRS Operators at least seven (7) working days before the EGM to specify voting instructions and to ensure that their votes are submitted.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the EGM as Proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Proxy Form and Notice of Extraordinary General Meeting dated 15 September 2020.

*I/We, _____ (Name) _____ (NRIC/Passport/Co Reg No.)
of _____ (Address)

being a shareholder/shareholders* of **CHARISMA ENERGY SERVICES LIMITED** (the "**Company**"), hereby appoint the Chairman of the Extraordinary General Meeting (the "**EGM**") as *my/our *proxy to vote for *me/us on *my/our behalf at the EGM to be held by electronic means on 30 September 2020 at 9.00 a.m. and at any adjournment thereof.

Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes "For" or "Against" a resolution, please tick (✓) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution.

If you wish the Chairman of the EGM as your proxy to abstain from voting a resolution, please tick (✓) within the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the EGM as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution.

ORDINARY RESOLUTION	No. of Votes For	No. of Votes Against	No. of Votes Abstain
Proposed Disposal of all of the Company's effective interest of 48.45% in the issued and paid-up share capital of Rising Sun Energy Private Limited			

**Delete where inapplicable*

Dated this _____ day of _____ 2020

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF.

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. In accordance with the alternative arrangements under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, shareholders will not be able to attend the EGM in person. A shareholder (whether individual or a legal entity) must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM if such shareholder wishes to exercise his/her/its voting rights at the EGM. This proxy form has been made available on SGXNet (www.sgx.com) and may be accessed at this link: <https://charismaenergy.com>. A printed copy of this proxy form will NOT be despatched to shareholders.
3. A shareholder who is a relevant intermediary entitled to vote at the EGM must appoint the Chairman of the EGM to attend, speak and vote at the EGM instead of the shareholder. CPF or SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the EGM (i.e. by 9.00 a.m. on 21 September 2020), to ensure that their votes are submitted. Where a shareholder (whether individual or a legal entity) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

"Relevant intermediary" means:

- (a) *a banking corporation licensed under the Banking Act, Chapter 19 of Singapore 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 for securities under the Securities and Future Act, Chapter 289 of Singapore and who holds shares in that capacity; or*
 - (c) *the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.*
4. The instrument appointing the Chairman of the EGM as proxy must be deposited at the registered office of the Company at 438B Alexandra Road, #05-08/10 Alexandra Technopark, Singapore 119968 or sent by email to enquiries@charismaenergy.com not less than forty-eight (48) hours (i.e. by 9.00 a.m. on 28 September 2020), before the time appointed for holding the EGM. In view of the current COVID-19 measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.
 5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 6. A corporation which is a shareholder 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, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In the case of shareholder of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such shareholder are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the EGM as a proxy to vote at the EGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with the Notice of EGM, or (c) submitting any question(s) prior to the EGM in accordance with the Notice of EGM a shareholder of the Company consents to the collection, use and disclosure of the shareholders' personal data by the Company (or its agents or service providers) for the following purposes:

PROXY FORM

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the EGM as a proxy for the EGM (including any adjournment thereof);
- (ii) the processing of the Pre-registration for purposes of granting access to shareholders (or their representatives in the case of shareholders which are legal entities) to the live webcast or live audio feed of the EGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from shareholders received before the EGM and if necessary, following up with the relevant shareholders in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

APPENDIX I – IFA REPORT



15 September 2020

CHARISMA ENERGY SERVICES LIMITED

438B Alexandra Road
#05-08/10 Alexandra Technopark
Singapore 119968

Attention: The Directors

Dear Sirs

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE DIRECTORS OF CHARISMA ENERGY SERVICES LIMITED IN RELATION TO THE PROPOSED DISPOSAL OF ALL OF THE COMPANY'S EFFECTIVE INTEREST OF 48.45% IN THE ISSUED AND PAID UP SHARE CAPITAL OF RISING SUN ENERGY PRIVATE LIMITED

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 15 September 2020 (the "Circular").

Unless otherwise stated, the exchange rate of US\$1 to INR74.9275 extracted from the website of the Monetary Authority of Singapore on 6 August 2020 as disclosed in the Company's announcement dated 21 August 2020 is applied throughout this IFA Report.

1. INTRODUCTION

On 21 August 2020, Charisma Energy Services Limited (the "Company", together with its subsidiaries, the "Group") announced that the Company, together with its two joint venture partners namely, Bhadla Solar Investments Pte Ltd ("BSIPL") and Sunseap International Pte. Ltd. ("SIPL"), had entered into a sale and purchase agreement dated 21 August 2020 (the "SPA") with Yinson Renewables (S) Pte. Ltd. ("Yinson Renewables" or the "Purchaser"), pursuant to which the Company, BSIPL and SIPL (collectively, the "Sellers") have agreed to sell, and Yinson Renewables has agreed to purchase 82,948,457 ordinary shares (the "Total Sale Shares") representing 57.50% of the total issued share capital of Rising Sun Energy Private Limited (the "Target") for an aggregate consideration of 1,100,078,407 Indian Rupees ("INR") (the "Total Consideration"), equivalent to US\$14.68 million (the "Proposed Disposal").

Yinson Holdings Berhad is the ultimate parent company of Yinson Eden Pte. Ltd. ("Yinson Eden"), which was a prospective investor in Ezion Holdings Limited ("Ezion"), as previously announced by Ezion on its announcements on SGXNet. Yinson Holdings Berhad is also the ultimate parent company of the Purchaser. Ezion is a controlling shareholder of the Company, which holds 39.99% of the Shares as at the Latest Practicable Date. As announced by Ezion on 1 September 2020, the proposed investment in Ezion by Yinson Eden has lapsed.

During the preparations for the Proposed Disposal, as the discussions between Yinson Eden and Ezion were ongoing, while no agreement nor arrangement has been entered into

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)
Address 地址: 3 Shenton Way #24-02 Shenton House Singapore 068805 珊顿道 3 号, 珊顿大厦 24-02, 新加坡 068805
Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3938 Website 网址: <http://www.xandarcapital.com>

APPENDIX I – IFA REPORT



between each of Yinson Holdings and the Purchaser, with Ezion and its associates in connection with the Proposed Disposal for the purposes of Rule 904(4) of the Listing Manual (Section B: Rules of Catalyst) (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), in the interests of good corporate governance and in light of the potential investment in Ezion by Yinson Eden then, the Company had engaged Xandar Capital Pte Ltd, as the independent financial adviser ("IFA") to express an opinion on whether the Proposed Disposal is on normal commercial terms and prejudicial to the interests to the Company and its shareholders (the "Shareholders").

Accordingly, notwithstanding the lapse of the proposed investment by Yinson Eden in Ezion, this report (this "IFA Report") which sets out our evaluation and opinion in respect of the Proposed Disposal prepared in accordance with Rule 921(4)(a) of the Catalist Rules has been included in the Circular. This IFA Report for the use by the directors of the Company (the "Directors") all of whom are deemed independent of the Proposed Disposal in connection with and for the purposes of their consideration of the Proposed Disposal and their recommendation(s) to Shareholders arising thereof.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to opine on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Disposal, nor were we involved in the deliberations leading up to the decisions on the part of the Directors to undertake the Proposed Disposal. Accordingly, we do not, by this IFA Report, warrant the merits of the Proposed Disposal other than to express an opinion on whether the Proposed Disposal is on normal commercial terms and prejudicial to the interests of the Company and its Shareholders.

Our terms of reference do not require us to express, evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the Proposed Disposal, or the future performance or prospects of the Group. We are, therefore, not expressing any opinion herein as to the future financial or other performance (including share price performance) of the Company or the Group, whether with or without the Proposed Disposal.

As with other business transactions of the Company, the merit and/or associated risk, whether commercial, financial or otherwise, of the Proposed Disposal, are solely the responsibility of the Directors. We are also not addressing the relative merits of the Proposed Disposal, as compared to any alternative transaction of the Group or that otherwise may become available to the Group in the future. Such evaluations or comments remain the responsibility of the Directors and the management of the Company.

In the course of our evaluation and for the purpose of providing our opinion in respect of the Proposed Disposal, we have held discussions with certain Directors and the management of the Group and have examined information provided by the Directors and the management of the Group 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.

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APPENDIX I – IFA REPORT



We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate in assessing such information and are not aware of any 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 Target and its subsidiaries (the "Target Group"), the Company and/or the Group. The Company has appointed BDO Advisory Pte Ltd as the independent valuer (the "Independent Valuer") to conduct a valuation and provide assistance in estimating the indicative value range of 100% of the Target as at 31 May 2020. The full valuation report dated 8 September 2020 (the "Valuation Report") issued by the Independent Valuer is a document available for inspection at the Company's registered office for three (3) months from the date of the Circular while a summary valuation report dated 8 September 2020 (the "Summary Valuation Report") is reproduced as Appendix II to the Circular. Save for the Valuation Report (and the Summary Valuation Report), we have not been furnished with any other evaluation or appraisal of the assets and/or liabilities of the Target Group. With respect to the Valuation Report (and the Summary Valuation Report), we are not experts in the evaluation or appraisal of the subject concerned and we have placed sole reliance on the Valuation Report (and the Summary Valuation Report) for such appraisal.

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 enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular 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 those sources and/or reproduced in the Circular in its proper form and context. In relation to this IFA Report, the Directors have confirmed that the facts stated, with respect to the Group, the Proposed Disposal, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as of 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 opinion contained herein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Disposal, which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, 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 opinion is for the use and benefit of the Directors in their deliberation of the Proposed Disposal, and the recommendation made by the Directors shall remain the responsibility of the Directors.

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APPENDIX I – IFA REPORT



The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Report). 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 Report). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Report).

Our opinion, in relation to the Proposed Disposal, should be considered in the context of the entirety of this IFA Report and the Circular.

Whilst a copy of this IFA Report may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Report (or any part thereof) for any other purposes other than the Proposed Disposal at any time and in any manner without our prior written consent.

We recommend that the Directors advise Shareholders to read these pages carefully.

3. ABOUT THE PROPOSED DISPOSAL

3.1 ABOUT THE TARGET GROUP

Information on the Target Group can be found in Section 3.1 of the Circular. We extract certain details in *italics* as follows:

The Target is a private company limited by shares, with an issued and paid-up share capital of INR1,442,581,860 comprising 144,258,186 ordinary shares. It was incorporated in New Delhi, India on 25 September 2014, with its registered office at S-18, 1st Floor, Green Park Extension, South Delhi, New Delhi-110016, India.

The Target is in the business of developing solar power generation facilities within the Bhadla solar complex in Rajasthan, India. As at the Latest Practicable Date, the Target Group holds two photovoltaic parks within the Bhadla solar complex.

We note that the Target has two wholly-owned subsidiaries as follows:

Name of subsidiaries	Date and place of incorporation	Paid-up capital
Rising Bhadla 1 Pvt Limited	16 March 2016 in New Delhi, India	INR1,129,600,000
Rising Bhadla 2 Pvt Limited	16 March 2016 in New Delhi, India	INR1,129,600,000

We understand that each of the subsidiary of the Target operates a 70 megawatt solar plant in Bhadla Solar Park, Bhadla, District Jodhpur in the state of Rajasthan, and each of the subsidiaries has entered into power purchase agreement with a company identified by the Indian government for sale of solar power by the subsidiaries for 25 years from 2016.

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3.1.1 The Financial Performance of the Target Group

The following income statement numbers of the Target Group are extracted from the annual reports of the Company for the financial year ended 31 December ("FY") 2017, FY2018 and FY2019:

US\$'000	FY2017	FY2018	FY2019
Revenue	5,603	23,336	18,062
Total comprehensive income	(1,953)	2,591	(215)

The Target Group generates revenue from the provision of solar power generated by its two 70 megawatt solar photovoltaic power plants in Rajasthan, India.

We understand that the profit of the Target Group for FY2018 was due mainly to over recognition of expenses in FY2017. In addition, the Company had prepared the financial statements of the Target Group as set out in the Company's annual report to align with Singapore Financial Reporting Standards (International) and modified for fair value adjustments on acquisition and differences in the Group's accounting policies. Accordingly, while the Target Group reported losses in its financial statements for its financial years ended 31 March 2018, 31 March 2019 and 31 March 2020 prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"), the Target Group was recorded as contributing a profit to the Company for FY2018.

We note that the principal expenses of the Target Group for FY2019 comprised mainly finance costs as well as depreciation and amortisation expense.

Based on the income statement of the Target Group for FY2019 prepared in accordance with Indian GAAP, finance costs relating to interest expenses incurred by the Target on its borrowings amounted to INR719.36 million (equivalent to US\$9.60 million) for FY2019. Depreciation and amortisation relating to its solar photovoltaic power plants amounted to INR331.21 million (equivalent to US\$4.42 million) for FY2019. After adding back finance costs as well as depreciation and amortisation expense and deducting other income, the Target Group would have earnings before interest, tax, depreciation and amortisation ("EBITDA") of INR1.02 billion (equivalent to US\$13.68 million) for FY2019.

3.1.2 The Financial Position of the Target Group

The following balance sheet numbers of the Target Group are extracted from the annual reports of the Company for FY2017, FY2018 and FY2019:

US\$'000	As at 31 December		
	2017	2018	2019
Current assets	11,532	6,295	2,817
Current liabilities	(22,997)	(10,553)	(16,053)

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US\$'000	As at 31 December		
	2017	2018	2019
Net working capital	(11,465)	(4,258)	(13,236)
Non-current assets	119,969	124,191	114,990
Non-current liabilities	(97,869)	(106,852)	(89,582)
Net asset value ("NAV")	10,635	13,081	12,172

As set out in the table above, the Target Group had negative working capital position as at the end of each of the last three financial years.

We note that the Target Group's NAV as at 31 December 2019 as set out above is different from the Target Group's NAV as presented in its financial statements. We understand that this was because the numbers set out in the Company's annual report have been prepared to align with Singapore Financial Reporting Standards (International) and modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

As we will be comparing the valuation statistics of the Target Group against companies similar to the Target Group which are listed in India, we also set out the assets and liabilities composition of the Target Group as at 31 December 2019 prepared in accordance with Indian GAAP as follows:

As at 31 December 2019	INR'million	US\$'000
Current assets	202	2,696
Current liabilities	(1,164)	(15,530)
Net working capital	(962)	(12,834)
Non-current assets	8,247	110,064
Non-current liabilities	(5,817)	(77,631)
Net asset value	1,468	19,599

As at 31 December 2019, based on the balance sheet of the Target Group prepared in accordance with Indian GAAP:

- (a) trade receivables accounted for 90.00% of its current assets;
- (b) short term borrowings accounted for 70.50% of its current liabilities;
- (c) Property, plant and equipment, being plant, machinery and equipment relating to its solar photovoltaic power plants, accounted for 97.68% of its non-current assets; and

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(d) long term borrowings accounted for 99.98% of its non-current liabilities.

The Target Group had intangible assets of INR2,580 as at 31 December 2019. Accordingly, there is no material difference to the Target Group's NAV and net tangible assets ("NTA") as at 31 December 2019.

3.2 THE EFFECTIVE INTERESTS OF THE COMPANY IN THE TARGET

The Company holds 38,769,387 shares representing 26.87% in the total issued share capital of the Target ("Direct Interest").

In addition, the Company beneficially owns 66.37% shareholding interest in BS IPL.

Based on the 32.50% in the total issued share capital of the Target held by BS IPL as at the date of the Circular and the Company's 66.37% beneficial interest in BS IPL, the Company has indirect interest in 21.57% in the total issued share capital of the Target through BS IPL ("Indirect Interest").

Pursuant to its Direct Interest and Indirect Interest, the Company's effective interest in the Target aggregate 48.45% ("Effective Interest").

3.3 THE CONSIDERATION

We set out the breakdown of the Consideration as follows:

Sellers	Consideration (INR)
The Company (for its Direct Interest)	514,286,655
The Company (for its Indirect Interest)	412,648,977
The Consideration for the Company's Effective Interest	926,935,632

Basis of the Consideration

We extract the following from Section 4.2.4 of the Circular:

The Consideration, as well as the agreed reduction amount in the completion payment, was arrived at on a willing buyer and willing seller basis after arm's length negotiations between the Parties as well as taking into account a recent offer price by a competitor for the Target. In arriving at the Consideration, the Board took into consideration:

- (a) *the financial situation of the Group with the utilization of the proceeds from the Proposed Disposal to reduce the Group's debt obligations to its lenders;*
- (b) *the anticipated future financial performance of the Target;*

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- (c) *evaluation of financial ratios, including assessment on the Group's rate of returns from the Target's operations as well as comparison of the financial ratio of the Proposed Disposal with a proxy transaction in India of comparable size;*
- (d) *the value of the Consideration as compared to a competing offer for the Target; and*
- (e) *the estimated net gain of US\$0.4 million from the Proposed Disposal.*

Set-off of the Consideration

As set out in Section 4.2.2 of the Circular, the Consideration will be offset by a deduction of US\$398,475 as the portion of the premium payable by the Company for the W&I Policy (further details of which can be found in Section 6.3 of the Circular) as well as an agreed reduction amount in the completion payment between the Company and the Purchaser. The remaining value of the Consideration will be payable in cash to the Company by the Purchaser on completion under the SPA (the "Completion").

3.4 TOTAL CASH TO BE RECEIVED BY THE COMPANY

As disclosed in Section 4.2.3 of the Circular, besides the Consideration, the Company will also receive repayments of amounts due to the Company from the Target and the other two Sellers in connection with the Proposed Disposal.

The net cash receivable by the Company from the Proposed Disposal amounted to US\$15.4 million.

3.5 OTHER KEY TERMS OF THE SPA

3.5.1 Key Terms of the SPA (other than the Total Consideration, cash receivable by the Company and Conditions Precedent to Completion)

The key terms of the SPA (other than the Total Consideration and cash receivable by the Company) are set out in Section 6 of the Circular and we summarise certain terms as follows:

- (a) The Longstop Date means 21 November 2020 or such later date as the parties to the SPA may agree in writing.
- (b) The Sellers will purchase a warranty and indemnity insurance policy in favour of the Purchaser in respect of the transactions contemplated under the SPA (the "W&I Policy"). Further details of the W&I Policy can be found in Section 6.3 of the Circular.

The maximum aggregate liability of the Company for a breach of a business warranty or tax warranty under the SPA is US\$3 million.

- (c) The SPA may be terminated in certain events. Further details of the termination events are set out in Section 6.4 of the Circular.



3.5.2 Conditions Precedent

The conditions precedent are set out in Section 6.1 of the Circular and we extract certain conditions in *italics* as follows:

- 6.1.3. *the Sellers having unconditionally obtained, or caused to be obtained, written acknowledgement from the Indian Renewable Energy Development Agency Limited (the "IREDA") of the irrevocable and unconditional termination and release by IREDA in full, of the guarantees given by the Company and all obligations of the Company, under the rupee loan agreements entered into by the Target's subsidiaries with the IREDA (the "Amended and Restated Rupee Loan Agreements");*
- 6.1.4. *the Sellers having unconditionally obtained, or caused to be obtained, in writing, and have disclosed in writing to the Purchaser, all consents, permissions, authorisations, approvals, waivers and agreements of third parties and all authorisations, approvals, registrations, declarations, waivers, filings with any governmental authority, commission, agency or other organisation having jurisdiction over the Group as required under applicable laws and any agreement entered into by the Sellers or otherwise necessary to give effect to the SPA and any transaction contemplated under the SPA, including:*
- (a) *written consent or no objection certificate from IREDA, under the Amended and Restated Rupee Loan Agreements, including but limited to, in relation to:*
 - (i) *a change of control in the Target Group;*
 - (ii) *a transfer of controlling interest in the Target's subsidiaries and a change in the management set-up in each of the Target's subsidiaries; and*
 - (iii) *the amendment of the articles of association of each of the Target's subsidiaries;*
- 6.1.10. *the Sellers having unconditionally obtained written consent from the Indian Tax Authority under Section 281 of the Indian Income Tax Act, 1961 in relation to the transfer of the Total Sale Shares to the Purchaser;*
- 6.1.11. *the Sellers having unconditionally obtained from the Indian Tax Authority a nil withholding tax certificate under Section 197 of the Indian Income Tax Act, 1961 in relation to the transfer of the Total Sale Shares to the Purchaser, provided that, any information provided to the Indian Tax Authority in relation to the application of such nil withholding tax certificate shall be provided to the Purchaser for review in advance and any comments given by the Purchaser in connection therewith shall be taken into account by the Sellers; and*

As set out in Section 6.1 of the Circular, as at the Latest Practicable Date, only the condition in Section 6.1.3 of the Circular has been satisfied.



3.6 THE PURCHASER

Information on the Purchaser is set out in Section 3.3 of the Circular and we set out certain information in *italics* as follows:

The Purchaser is a private company limited by shares, incorporated under the laws of Singapore. The Purchaser is an indirect wholly-owned subsidiary of Yinson Holdings, an integrated offshore production and support services provider company incorporated in Malaysia with its shares listed and quoted on the Main Market of Bursa Malaysia. As at the Latest Practicable Date, neither Yinson Holdings nor the Purchaser holds any shares in the Company.

We note that the Purchaser is also a shareholder of the Target. As at the date of the Circular, the Purchaser holds 54,096,820 ordinary shares, representing 37.50% interests in the capital of the Target. Upon Completion, the Purchaser will become a 95.00% shareholder of the Target.

The Purchaser also holds 23,500,000 compulsorily convertible debentures issued by the Target which will increase the Purchaser's percentage interest in the Target upon conversion.

4. EVALUATION OF THE PROPOSED DISPOSAL

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

- (a) the implied 100% consideration for the Target;
- (b) the Valuation Report;
- (c) the rationale for and benefits of the Proposed Disposal to the Company;
- (d) the financial ratios of the Proposed Disposal;
- (e) the valuation statistics of the Proposal Disposal as compared to listed companies comparable to the Target;
- (f) the pro forma financial effects of the Proposed Disposal; and
- (g) other considerations.

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

4.1 THE IMPLIED 100% CONSIDERATION FOR THE TARGET

As set out in Section 4.2.2 of the Circular and paragraph 3.3 of this IFA Report, the Consideration will be offset by a deduction of US\$398,475. We calculate the deduction to represent a discount of 3.22% to the Consideration.

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We applied the discount of 3.22% to the Consideration and calculated the adjusted consideration attributable to the Company for its Effective Interest to be INR897,102,809 (equivalent to US\$11.97 million) (the "Adjusted Charisma Consideration").

Based on the Adjusted Charisma Consideration, the implied consideration for 100% interest in the Target will be INR1,851,556,027 (equivalent to US\$24.71 million) (the "Implied 100% Consideration").

4.2 THE VALUATION REPORT

The Company has commissioned BDO Advisory Pte Ltd to provide assistance in estimating the indicative value range of 100% of the Target Group as at 31 May 2020. The Valuation Report is available for inspection at the Company's registered office for three (3) months from the date of the Circular and the Summary Valuation Report is appended as Appendix II to the Circular. Shareholders are advised to read the Summary Valuation Report carefully, in particular, the valuation methodology as well as the key assumptions and risk factors which may materially affect the indicative valuation of the Target.

We extract certain details in *italics* as follows:

Valuation approach adopted by the Independent Valuer

In arriving at the valuation results, we have applied the income approach as a primary approach to derive the indicative equity value range of the Target, using the discounted cash flow ("DCF") methodology for the following reason:

- *The value proposition of the operating business is primarily income driven, underpinned by the prospects of the solar power industry in India and the PPA agreed with the Indian government. The DCF methodology will better reflect a valuation that is based on income derived from the Group's operating business.*

The range of equity value of the Target from the Lower end to the Upper end is derived by sensitivity analysis through varying the discount rate from 10.5% to 12.5%, with reference to several literatures on the cost of equity and equity internal rate of return ("IRR") applicable to the renewable energy sector.

In addition, we have adopted the Market Approach using the Enterprise Value to Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") ("EV/EBITDA") and Enterprise Value to Sales ("EV/Sales") multiples of comparable companies as a secondary approach to cross-check the indicative value range as at the Valuation Date derived by the DCF methodology.

Key assumptions highlighted by the Independent Valuer

- The Group is operating on a going concern basis and will continue to have sufficient capital to support future expenditure and working capital and the capability to achieve the financial forecast;*
- The accuracy and completeness of the financial information provided to us;*

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- xi. *The useful lives of the Plants end in November 2043 which is also equivalent to the 25-year lives of the PPA; and*

In respect of paragraph (iii) as extracted from the Summary Valuation Report above, the Company has confirmed that the financial information provided to the Independent Valuer are accurate and complete.

Based on the Valuation Report, the 100% equity value range of the Target Group as at 31 May 2020 is from INR1,707.9 million to INR2,041.7 million.

The Implied 100% Consideration of INR1,851.56 million is within the range of equity value range of the Target Group as opined by the Independent Valuer.

The Implied 100% Consideration represents a premium of INR143.66 million (or 8.41%) to the lower range of equity value range of the Target Group and a discount of INR190.14 million (or 9.31%) to the higher range of equity value range of the Target Group as opined by the Independent Valuer.

4.3 THE RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL TO THE COMPANY

The rationale for the Proposed Disposal is set out in Section 4.1 of the Circular.

We extract as follows:

The Proposed Disposal is in line with the Group's divestment plans, and is intended to improve the liquidity of the Group and bring in the necessary funding for the Group to meet its debt obligations at least in the next 12 months from the date of its audited consolidated financial statements for FY2019.

Based on the book value of the Direct Interest of US\$5.2 million and the aggregated value of the Indirect Interest of US\$4.6 million, there is a surplus of approximately US\$2.6 million of the Consideration to be received by the Company over the value of the Effective Interest.

As at 30 June 2020, the Group has receivables of US\$9.1 million due from the Target and the other Sellers. Through part of the Consideration and additional cash to be received pursuant to the Proposed Disposal, the Group will be able to substantially recover these receivables as full settlement of loans and outstanding amounts. While a loss of US\$0.2 million will be made by the Group due to settlement, the Board considered the Proposed Disposal as a whole, with the Proposed Disposal resulting in a gain of US\$0.4 million to the Group and providing the Group with liquidity to settle its outstanding obligations.

In light of the above, the Board believes that the Proposed Disposal is in the best interests of the Group and the shareholders of the Company (the "Shareholders").

We note from the annual report of the Company for FY2019 that:

- (a) the Group reported loss for the year of US\$26.75 million for FY2019;
- (b) the Group had net current liabilities amounting to US\$59.00 million as at 31 December 2019; and

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(c) the Group had net liabilities amounting to US\$19.80 million as at 31 December 2019.

As a result of the above losses and negative assets position, the annual report of the Company for FY2019 contains the following going concern disclosure:

Notwithstanding the directors' belief that the use of going concern assumption in the preparation of the financial statements remains appropriate, there are material uncertainties about (a) the lenders' and shareholders' commitment to continue provide funding to the Group and Company, (b) the execution and timing of the Group's asset divestment plans to raise additional funding and (c) the operating cash flows to be generated from the Group's continuing businesses following the COVID-19 pandemic, so as to meet debts as and when they fall due, at least in the next 12 months from the reporting date. If for any reason the Group and Company are unable to continue as a going concern, it could have an impact on the Group's and Company's classification of assets and liabilities and the ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

While the Proposed Disposal will not turnaround the Group's losses and negative assets position, the cash receivable by the Company will alleviate some of the cash flow requirements of the Group.

4.4 THE FINANCIAL RATIOS OF THE PROPOSED DISPOSAL

4.4.1 The Assets Ratios

In our evaluation of the Proposed Disposal, we have considered whether there are any assets which should be valued at an amount that is materially different from that which was recorded in the Group's or the Target Group's financial statements as at 31 December 2019 and we have inquired if there are any recent factors that are likely to impact the NAV of the Target Group as at 31 December 2019.

The Company has confirmed that there is no other event subsequent to 31 December 2019 which would materially affect the NAV of the Target Group as at the Latest Practicable Date.

Based on the NAV of the Target Group of US\$12.17 million as set out in the Group's financial statements as at 31 December 2019 and the Implied 100% Consideration of US\$24.71 million, the price-to-NAV ("P/NAV") ratio of the Proposed Disposal is 2.03 times. The Implied 100% Consideration represents a premium of 103.06% to the NAV of the Target Group as recorded by the Company.

Based on the NAV of the Target Group of INR1.47 billion as set out in the Target Group's financial statements as at 31 December 2019 and the Implied 100% Consideration of INR1.85 billion, the P/NAV ratio of the Proposed Disposal is 1.26 times. The Implied 100% Consideration represents a premium of 26.12% to the NAV of the Target Group.

As there is no material difference between the Target Group's NAV and NTA, the price-to-NTA ("P/NTA") ratio of the Proposed Disposal is the same as its P/NAV ratio.

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4.4.2 The Earnings Ratios

The Target Group reported losses for FY2019. Accordingly, there is no price-to-earnings ("P/E") ratio for the Target Group.

Based on the Implied 100% Consideration and the total borrowings of the Target Group of INR6.64 billion as at 31 December 2019, after deducting cash and cash equivalents of INR2.83 billion as at 31 December 2019, the enterprise value ("EV") of the Target Group is INR8.48 billion.

The EV-to-EBITDA ("EV/EBITDA") ratio of the Proposed Disposal is 8.31 times.

4.5 THE VALUATION STATISTICS OF THE PROPOSAL DISPOSAL AS COMPARED TO LISTED COMPANIES COMPARABLE TO THE TARGET

In considering what may be regarded as a reasonable range of valuation for the purpose of assessing the Implied 100% Consideration of the Proposed Disposal, we have made comparison to listed companies principally involved the owning and operating of solar power plants in India (the "Selected Comparable Companies"). For better comparison, we have excluded companies which are substantially larger than the Target Group.

We recognise that that the list of Selected Comparable Companies is not exhaustive and there is no listed company that is directly comparable to the Target Group in terms of, *inter alia*, business activities, size and scale of operations, risk profile, operating and financial position, track record and future prospects. Although all Selected Comparable Companies are Indian companies listed on India stock exchanges, the accounting policies and tax factors may differ. As such, any comparison merely serves as an illustrative purpose. In assessing the financial terms of the Proposed Disposal, we have used the following valuation parameters in our analysis:

Valuation Ratio	General Description
EV/EBITDA	"EV" or "Enterprise Value" is defined as the sum of a company's market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents. The "EV/EBITDA" multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.
P/E	The P/E ratio illustrates the ratio of the market price of a company's share relative to its historical consolidated earnings per share. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.

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Valuation Ratio	General Description
P/NAV	P/NAV ratio illustrates the ratio of the market price of a company's share relative to its asset backing as measured in terms of its historical consolidated NAV per share as stated in its financial statements. The NAV figure provides an estimate of the value of a company assuming the sale of all its tangible and intangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.

We set out in the table below the list of Selected Comparable Companies, together with brief information on these companies.

Selected Comparable Companies	Listing Location	Description	Market Capitalisation (US\$million)
Gensol Engineering Limited ("Gensol")	India	Gensol provides renewable energy project development services. Gensol constructs solar plants. Gensol serves customers in India.	8.9
Kintech Renewables Ltd ("Kintech")	India	Kintech provides renewable energy generation services. Kintech operates solar and wind energy projects and generates electric power. Kintech serves customers in India.	1.3
K.P.I. Global Infrastructure Limited ("KPI")	India	KPI provides renewable energy construction services. The company builds solar power plants. KPI Infrastructure serves customers in India.	17.1
WAA Solar Limited ("WAA Solar")	India	WAA Solar operates as a renewable energy development company. The company develops, builds and acquires solar energy projects to generate solar renewable energy. WAA Solar serves customers in India.	2.3

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We set out in the table below the financial ratios of the Selected Comparable Companies as at the Latest Practicable Date.

Selected Comparable Companies	Net Profit (US\$'million)	EV/EBITDA (times)	P/E (times)	P/NAV (times)
Gensol	0.30	17.33	29.66	1.97
Kintech	0.13	5.80	10.75	0.78
KPI	1.27	10.30	14.10	1.27
WAA Solar	1.45	14.33	1.51	0.10
Maximum		17.33	29.66	1.97
Minimum		4.95	1.51	0.10
Mean		11.94	14.01	1.03
Median		12.32	12.43	1.03
The Target Group (Based on the Implied 100% Consideration)	(0.22)	8.31	Not applicable as the Target Group was loss making	1.26

Based on the above ratio analysis, we note that:

- (a) the EV/EBITDA ratio of the Target Group of 8.31 times as implied by the Implied 100% Consideration is within the range but lower than the mean and median EV/EBITDA ratios of the Selected Comparable Companies; and
- (b) the P/NAV ratio of the Target Group of 1.26 times as implied by the Implied 100% Consideration is within the range and higher than the mean and median P/NAV ratios of the Selected Comparable Companies.

Had the P/NAV ratio of WAA Solar been excluded as an outlier, the P/NAV ratio of the Target Group of 1.26 times will be slightly lower than the mean P/NAV ratio of 1.34 times and the median P/NAV ratio of 1.27 times of the Selected Comparable Companies.

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Gensol's EV/EBITDA

As set out in the table above, the valuation statistics of Gensol as at the Latest Practicable Date are higher than the other Selected Comparable Companies. We note that Gensol was listed on the SME Platform of BSE Limited in October 2019 at an initial public offering price of INR83 for each share of Gensol ("IPO Price"). The closing price of Gensol as at the Latest Practicable Date was INR80. Based on Gensol's IPO Price and the information disclosed in its results announcement, we calculate the listing EV/EBITDA of Gensol to be 8.08 times. The EV/EBITDA ratio of the Target Group of 8.31 times as implied by the Implied 100% Consideration is slightly higher than the listing EV/EBITDA of Gensol. Gensol's profit decreased significantly by 62.5% from its financial year ended 31 March 2019 to its financial year ended 31 March 2020 resulting in its higher valuation statistics as at the Latest Practicable Date.

Proxy Transaction

One of the bases of the Consideration as disclosed in Section 4.2.4 of the Circular is a proxy transaction in India of comparable size.

While we found articles relating to the proxy transaction referred to by the Company, we are unable to find details of the transactions such as the consideration, the net profits, EBITDA or NAV of the transaction to perform any meaningful comparison.

4.6 THE PROFORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The proforma financial effects of the Proposed Disposal on the Group can be found in Section 7.1 of the Circular.

We note the Group's net tangible liabilities position as well as its loss per Share will remain unchanged before and after the Proposed Disposal.

4.7 OTHER CONSIDERATIONS

In determining whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders, we have also considered the following:

4.7.1 Financial Contribution of the Target to the Company

We extract the following from the annual reports of the Company for FY2017, FY2018 and FY2019:

	FY2017	FY2018	FY2019
US\$'000			
Loss before tax of the Group	(31,346)	(40,383)	(25,316)
Share of results of the Target Group (net of tax)	(1,269)	1,497	(167)

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	FY2017	FY2018	FY2019
Percentage contribution by the Target Group to the Group	4.05%	(3.71%)	0.66%

The contribution by the Target Group to the Group has not been material for FY2017, FY2018 and FY2019.

4.7.2 Previous offer for the Target Group

As set out in Section 4.2.4 of the Circular, one of the bases of the Consideration was that there was a previous offer for the Target Group. We have been provided with the indicative term sheet of the competing offer dated 16 October 2019.

Based on the term sheet, the aggregate offer value for the Target Group amounted to INR2.35 billion. However, we understand that it is not meaningful to compare the Implied 100% Consideration with the offer value of the previous offer. In the previous offer, the purchaser intends to acquire the Target Group in two stages, one of which involved the acquisition of assets without the corresponding liabilities. Based on the adjustments presented by the Company, the consideration for the Proposed Disposal is on par with the offer value in the previous offer.

5. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, 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 Disposal. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Report, in particular, all the considerations and information we have taken into account, be read in its entirety.

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

- (a) the Implied 100% Consideration of INR1,851.56 million is within the range of equity value range of the Target Group as opined by the Independent Valuer;
- (b) while the Proposed Disposal will not turnaround the Group's losses and negative assets position, the cash receivable by the Company will alleviate some of the cash flow requirements of the Group;
- (c) the Implied 100% Consideration represents a premium of 26.12% to the NAV of the Target Group;
- (d) both the EV/EBITDA ratio and the P/NAV ratio of the Target Group as implied by the Implied 100% Consideration is within the range of the EV/EBITDA ratios and the P/NAV ratios of the Selected Comparable Companies, although the EV/EBITDA ratio of the Target Group as implied by the Implied 100% Consideration is lower than the

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mean and median EV/EBITDA ratios of the Selected Comparable Companies while the P/NAV ratio of the Target Group as implied by the Implied 100% Consideration is higher than the mean and median P/NAV ratios of the Selected Comparable Companies;

- (e) the EV/EBITDA ratio of the Target Group as implied by the Implied 100% Consideration is also higher than the listing EV/EBITDA ratio of a comparable company listed in 2019;
- (f) there is no material adverse financial effects to the Group before and after Completion; and
- (g) the other consideration as set out in paragraph 4.7 of this IFA Report.

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 Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders.

This IFA Report is addressed to the Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Disposal, and the recommendation made by them to the Shareholders shall remain the responsibility of the Directors. Neither the Company nor the Directors may reproduce, disseminate or quote this IFA Report (or any part thereof) for any other purpose, except for the Proposed Disposal, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion 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 truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

A handwritten signature in blue ink, appearing to read "Loo Chin Keong".

LOO CHIN KEONG
EXECUTIVE DIRECTOR

A handwritten signature in blue ink, appearing to read "Pauline Sim Poi Lin".

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

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Board of Directors

8 September 2020

Charisma Energy Services Limited
438B Alexandra Road #05-08/10
Alexandra Technopark Singapore 119968

Indicative Valuation Report for Charisma Energy Services Limited

Dear Sirs:

1. Introduction

BDO Advisory Pte Ltd has been engaged by Charisma Energy Services Limited (“CES” or the “Company”) to provide assistance in estimating the indicative value range of Rising Sun Energy Pvt Ltd (“RSE”) and its subsidiaries in India namely Rising Bhadla 1 Pvt Ltd (“RB1”) and Rising Bhadla 2 Pvt Ltd (“RB2”) (collectively, the “Group” or the “Target”) as at 31 May 2020 (the “Valuation Date”). As at the Valuation Date, we understand that CES held an effective interest of 48.45% in RSE in the manner of: 1) 26.87% direct equity interest; and 2) 21.58% indirect equity interest via its 66.4% beneficial shareholding interest in Bhadla Solar Investments Pte Ltd. This is for the intended disposal of the 48.45% effective equity interest in RSE by CES, as confirmed in our engagement letter dated 3 June 2020 (the “Engagement Letter”).

We are a global network of firms in 167 countries and territories, with more than 88,120 people working out of more than 1,800 offices to deliver quality assurance, tax and advisory services. In the valuation space, BDO Singapore’s Corporate Advisory meets regional and local business’ valuation needs with provision of services including valuing businesses, joint ventures and equity interests, and specific assets such as intangible assets like trademarks, customer relationships, and financial instruments. In the recent years, our valuation professionals (accredited with the Institute of Valuers and Appraisers of Singapore (“IVAS”)) have worked on a range of business requirements, including:

- Restructuring, mergers, acquisitions and divestments
- Business planning and transaction support
- Support for tax planning and advisory
- Expert witness for litigation support
- Financial reporting

This letter is a summary of the information contained in our Indicative Valuation Report (the “Summary Valuation Report”). Accordingly, it should be read in conjunction with the full text of the said Indicative Valuation Report (the “Report”) dated 8 September 2020.

The information contained in the Report pertains to our appointment by the Company to perform the necessary professional services relating to the valuation of the Target.

2. Terms of reference

We are to estimate the indicative value range of the Target as at the Valuation Date.

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Our estimation of the indicative value range of the Target is primarily based on its financial projections. It does not take into account any fundamentally different business that the management of CES (“Management”) may pursue in the foreseeable future.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters and where specialist advice has been obtained by CES and made available to us, we have considered and where appropriate, relied on such advice.

We are not expressing an opinion on the commercial merits of the proposed transaction and accordingly, this Summary Valuation Report and the Report do not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merit of the proposed transaction.

In addition, this Summary Valuation Report and the Report should not be construed as a provision of any investment advice to the prospective investors of the Target and/or CES and cannot be relied upon for making investment decisions and we expressly disclaim a duty of care or liability to any third party who is shown or gains access to this Summary Valuation Report or the Report.

3. Use of this Summary Valuation Report and our Report

This Summary Valuation Report and the Report are addressed to, and are intended for the use of the Directors of CES for the purpose as set out in the Report. Accordingly, neither the Report nor this Summary Valuation Report may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of CES and the prospective investors of the Target). Any recommendation made by the Directors to the shareholders of CES shall remain the responsibility of the Directors.

4. Reliance on information and representation

The information used by us in preparing the Report are obtained primarily from Management and other sources as indicated in the Report. These include:

- a) Power Purchase Agreement (“PPA”) between RB1/RB2 and NTPC Ltd;
- b) Land Lease Agreement between RB1/RB2 and Rajashan Solarpark Development Company Limited;
- c) Loan Agreement between RB1/RB2 and Indian Renewable Energy Development Agency Ltd;
- d) O&M Contract between RB1/RB2 and Sterling and Wilson Solar Limited;
- e) The Term Sheet of the shareholder loan between RSE and Yinson Renewables (S) Pte Ltd (“YRPL”);
- f) The Term Sheet of the Convertible Compulsory Debenture between RSE and YRPL;
- g) The fixed assets list of RB1 and RB2 and corresponding depreciation and amortisation schedule of RB1 and RB2;
- h) The Management Fee Agreement between RB1/RB2 and RSE;
- i) The related party disclosure of RB1/RB2;
- j) The Commissioning Certificate of 30MV capacity of RB1/RB2;
- k) The Commissioning Certificate of 40MV capacity of RB1/RB2;
- l) Cash Reserve Breakdown as at the Valuation Date;
- m) Historical Power Sale of RB1/RB2;
- n) Group Structure as at the Valuation Date, and the intended Group Structure;
- o) Tax Schedule for FY2020 to FY2043 provided on 18 August 2020;
- p) Audited consolidated financial statements of the Group for FY2018 and FY2019;

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- q) Unaudited consolidated management account of the Group for FY2020;
- r) Unaudited consolidated management account of the Group as at the Valuation Date;
- s) Financial forecast of the Group for the period from FY2021 to FY2043;
- t) Other information and representations made to us by Management during discussions; and
- u) All other publicly available information.

While our work has involved analysis of the above mentioned financial information, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us by and on CES's behalf.

Management has reviewed the information contained in our Report and has confirmed that the information provided to us is accurate and that no significant information essential to the Report has been withheld.

5. Valuation methodology and summary results

The basis of value that we have adopted is market value defined in International Valuation Standards ("IVS") 2020 as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In arriving at the valuation results, we have applied the income approach as a primary approach to derive the indicative equity value range of the Target, using the discounted cash flow ("DCF") methodology for the following reason:

- The value proposition of the operating business is primarily income driven, underpinned by the prospects of the solar power industry in India and the PPA agreed with the Indian government. The DCF methodology will better reflect a valuation that is based on income derived from the Group's operating business.

Under the DCF, the future free cash flows to equity expected to be generated from the operations of the Target, via RB1 and RB2 (collectively, the "Plants"), are discounted using appropriate discount rates to derive the likely equity value range of the Target through sensitivity analysis.

The range of equity value of the Target from the Lower end to the Upper end is derived by sensitivity analysis through varying the discount rate from 10.5% to 12.5%, with reference to several literatures on the cost of equity and equity internal rate of return ("IRR") applicable to the renewable energy sector.

In addition, we have adopted the Market Approach using the Enterprise Value to Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") ("EV/EBITDA") and Enterprise Value to Sales ("EV/Sales") multiples of comparable companies as a secondary approach to cross-check the indicative value range as at the Valuation Date derived by the DCF methodology.

In summary, based on our analysis, the indicative value of CES's effective 48.45% equity interest in the Target is estimated to be between INR 827.5 million and INR 989.2 million or USD 10.9 million and USD 13.1 million as at the Valuation Date.

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We wish to emphasise that the projected cash flows used in the DCF analysis have been based upon certain identified assumptions. Some of these assumptions inevitably will not materialise, and unanticipated events may occur; therefore, the actual results achieved during the projection period will vary from the projection, and the variations may be substantial. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons we express no opinion as to how closely the actual results achieved will correspond to those projected.

We have set out in the Report, the key assumptions as well as the risk factors, which may materially affect the indicative valuation of the Target. These include:

- i. The Group is operating on a going concern basis and will continue to have sufficient capital to support future expenditure and working capital and the capability to achieve the financial forecast;
- ii. The future operations of the Group will not be adversely affected by changes to its key personnel, management team and shareholdings;
- iii. The accuracy and completeness of the financial information provided to us;
- iv. The reliability of management of RSE's ("RSE Management") assumptions underlying the financial forecast, including but not limited to the revenue and profitability relating to the Group, which is assumed to be achievable. We note that if the actual financial performance of the Group is significantly different from the projections, the valuation might be significantly different;
- v. The related party transactions, if any, are carried out on an arm-length basis and will continue to be so for the foreseeable future, even if there are any changes in the shareholding structure;
- vi. RSE has legal title to all assets as mentioned in the financial information;
- vii. There will be no significant changes in the economic and political environment, which may significantly alter the financial performance and position of the Group;
- viii. For the purposes of including the tax expenses in the financial projections, we have referred to the tax computation provided by RSE Management, which we understand was computed by their external auditor, G Singh & Co. Chartered Accountants. As such, we have relied on the tax computation for the purposes of the valuation and have not performed an independent review of the tax computation;
- ix. All the relevant regulatory approvals, project related agreements, licenses, permits, certificates and documents required for the construction, ownership and operations of the Plants have been obtained, and will be sustained until the end of their operations;
- x. The Plants comprise assets which are physically in existence, are in good working condition and have legal title. There are no risks that any of these assets are subject to compulsory acquisition by any third party or government body;
- xi. The useful lives of the Plants end in November 2043, which is also equivalent to the 25-year lives of the PPA; and
- xii. Other information and representations made to us by Management during our discussions.

6. Conclusion

As detailed in the Report, the 100% indicative equity value of the Target is between INR 1,707.9 million and INR 2,041.7 million or USD 22.6 million and USD 27.0 million as at the Valuation Date. Accordingly, the indicative value of CES's effective 48.45% equity

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interest in the Target is computed to be between INR 827.5 million and INR 989.2 million or USD 10.9 million and USD 13.1 million as at the Valuation Date.

We assume no responsibility and are not required to update, revise or reaffirm our conclusion of value to reflect events or developments subsequent to the date of the Report and this Summary Valuation Report.

Yours faithfully,

For and on behalf of
BDO Advisory Pte Ltd



Josephine Hong
Executive Director, Advisory