
ENTRY INTO CONDITIONAL SUBSCRIPTION AGREEMENT

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**”) of Charisma Energy Services Limited (the “**Company**” and together with its subsidiaries, the “**Group**”, and each a “**Group Company**”) refers to its financial statements announcements dated 14 June 2021 (annual report for financial year ended 31 December 2020), 29 June 2021 (first quarter results for the financial period ended 31 March 2021), 14 August 2021 (second quarter results for the financial period ended 30 June 2021), 13 November 2021 (third quarter results for the financial period ended 30 September 2021) and the update announcements on the going concern assessment dated 2 October 2020, 4 November 2020, 3 December 2020, 5 January 2021, 3 March 2021, 16 April 2021, 27 May 2021, 15 June 2021, 9 July 2021, 16 September 2021, 22 October 2021 and 30 December 2021 (the “**Previous Announcements**”).

Unless otherwise defined, capitalised terms used herein shall have the meanings as ascribed in the Previous Announcements.

- 1.2. The Board is pleased to announce that on 10 January 2022, the Company has entered into a conditional subscription agreement (the “**Conditional Subscription Agreement**”) with Yin Khing Investments Limited (the “**Subscriber**”) in relation to the following:

- (a) subscription by the Subscriber of new ordinary shares in the Company (the “**Shares**”) (the “**Subscription Shares**”), amounting to S\$16,080,000 (the “**Subscription Amount**”), on the terms and conditions of the Subscription Agreement (the “**Proposed Subscription**”); and
- (b) subscription by the Subscriber of S\$16,080,000 in principal amount of unlisted and freely transferable share options (the “**Options**”), with each Option carrying the right to subscribe for one (1) new Share (the “**Option Shares**”) per Option, on the terms and conditions of the Conditional Subscription Agreement (the “**Proposed Grant of Options**”, together with the Proposed Subscription, the “**Proposed Transactions**”).

Please refer to paragraph 4 (*Principal terms of the Conditional Subscription Agreement*), paragraph 5 (*Principal terms of the Proposed Subscription*) and paragraph 6 (*Principal terms of the Proposed Grant of Options*) of this announcement for further details on the Conditional Subscription Agreement, Proposed Subscription and Proposed Grant of Options, respectively.

- 1.3. It is contemplated that the Company will also intend to undertake the following:

- (a) divestments of its existing assets and quoted securities ¹ (the “**Proposed Divestments**”) such that pursuant to the Proposed Divestments, the Company will only retain its ownership in the holding entities of its operations in Sri Lanka and the operating companies in Sri Lanka (the “**Sri Lanka Sub-Group**”) (being the owners of the 13 units of mini-hydro electric power plants in Sri Lanka with a combined capacity of 43.46 megawatt (the “**Hydro-Power Plants**”), together with their receivables, cash and inventories (including the Hydro-Power Plants) (the “**Remaining Assets**”); and
- (b) propose a scheme of arrangement which will be a compromise or arrangement

¹ Such existing assets for divestments include (a) 80.0% shareholding interests in Yichang Smartpower Green Electricity Co. Ltd.; (b) four (4) units of anchor handling tug supply vessels; (c) title of the accommodation module to AusGroup Limited upon full settlement of the instalments due (the “**Accommodation Module**”); and (d) the Group’s investments in quoted securities.

between the Company and class(es) of certain of its creditors, in accordance with Section 210 of the Companies Act 1967 of Singapore or the Insolvency, Restructuring and Dissolution Act 2018 of Singapore or under any applicable law(s) of Singapore, to compromise certain of the Company's debt (the "**Past Liabilities**") with such settlement being a combination of cash and issue of new Shares (the "**Scheme of Arrangement**");

- (c) restructure certain of the Company's secured debts with certain existing lenders (the "**Continuing Lenders**") (including those in relation to its outstanding liabilities for the Sri Lanka Sub-Group which shall remain and not exceed US\$18,400,000 (approximately S\$25.0 million²) (the "**Loan Restructuring**");
- (d) agree on a settlement with holders of the redeemable exchangeable preference shares (which shall be a combination of cash and issue of new Shares to such creditors, with such new Shares to be issued under the Scheme of Arrangement and the Bilateral Settlement being the "**Settlement Shares**") (the "**Bilateral Settlement**", together with the Scheme of Arrangement and Loan Restructuring, the "**Proposed Debt Restructuring**"); and
- (e) a share consolidation of all of the issued Shares pursuant to the above transactions (the "**Proposed Share Consolidation**").

The Company will keep its shareholders (the "**Shareholders**") updated on any of the above contemplated corporate actions as and when updates are available, in compliance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**").

2. INFORMATION ON THE SUBSCRIBER³

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

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

As at the date of this announcement, each of the Subscriber and its shareholders (a) does not hold any Shares; and (b) is not related to any of the directors of the Company (the "**Directors**"), substantial shareholders of the Company, or their respective associates. There is also no connection (including business relationship) between the Subscriber and its shareholders and the Directors or substantial shareholders of the Company.

3. RATIONALE FOR THE PROPOSED TRANSACTIONS

3.1. Background to the Proposed Transactions

Since the Shares have been suspended from trading on 4 February 2019 and subsequently suspended from trading on 17 June 2020 pursuant to Catalist Rule 1303(3), the Company has been actively taking steps to restructure its debts and existing assets, including negotiating standstill agreements with its lenders, restructuring its debt liabilities and undertaking

² Based on an exchange rate of US\$1.00:S\$1.3584.

³ Under the Subscription Agreement, the Subscriber is entitled to nominate an entity to whom the Subscriber may direct the Company to allot and issue the Subscription Shares. In the event of such nomination, details of such nominee will be provided to the Shareholders for their information.

divestments of its existing assets including the divestment of its Indian solar assets business to Yinson Renewables (S) Pte Ltd, Accommodation Module to AusGroup Limited and vessels to Whitesea Shipping & Supply (LLC) FZC, with the assistance of an external advisor engaged by the Group for the strategic review of the Group's existing business and in the formulation of plans to improve the financial position and/or performance of the Group. The Company has also assessed various options and investment proposals, resulting in the decision to proceed with the Proposed Transactions.

3.2. **Rationale of the Proposed Transactions**

The Company is of the view that the investment by the Subscriber through the Proposed Transactions is beneficial to the Company and the Group as the Proposed Transactions, if completed, will allow for a capital injection which will provide the required funding for the Company to restructure, which is vital for the continuity of the Company in relation to the Remaining Assets. Further, the Group will then have access to funds to improve its cashflows, reduce its outstanding debt obligations and continue as a going concern.

Specifically, the Proposed Subscription will provide the Group with the necessary funds to partially address its outstanding liabilities and provide funding for its continued operations of the Remaining Assets and the Proposed Grant of Options will allow the Group to have access to additional funds as and when the Subscriber exercises its Options.

The Directors are of the opinion that, as of the date of this announcement, after taking into consideration the Proposed Subscription and the proceeds therefrom, the further proceeds from the Proposed Grant of Options, when the Options are exercised, and its present banking facilities and assuming the completion of the Proposed Divestments and the Proposed Debt Restructuring, the working capital available to the Group is sufficient to meet its present requirements and that the Company will be able to operate on a going concern and therefore, have a viable proposal for the resumption of trading of its Shares.

Without the Proposed Transactions, the Proposed Divestments and the Proposed Debt Restructuring, the Group will not be able to have sufficient working capital to operate as a going concern or have a viable proposal for the resumption of trading of its Shares based on its present bank facilities.

4. **PRINCIPAL TERMS OF THE CONDITIONAL SUBSCRIPTION AGREEMENT**

Details of Subscription Shares	Such number of Subscription Shares, constituting the Subscription Amount of S\$16,080,000, at a subscription price to be determined subsequently (the " Subscription Price ") each Subscription Share.
	For further details, please see paragraph 5 (<i>Principal terms of the Proposed Subscription</i>) of this announcement.
Details of Options	S\$16,080,000 in principal amount of Options, with each Option carrying the right to subscribe for one (1) Option Shares at an option price which is at a 10.0% premium over the Subscription Price (the " Option Price ") per Option.
	For further details, please see paragraph 6 (<i>Principal terms of the Proposed Grant of Options</i>) of this announcement.
Conditions	Completion of the Proposed Transactions shall be conditional upon the following (the " Conditions "):
	(a) the in-principle approval of the SGX-ST being obtained by the Company in relation to the listing and quotation of the Subscription Shares and the Option Shares;
	(b) the in-principle approval of SGX-ST being obtained by the

Company in relation to the resumption of trading of the Shares on the SGX-ST;

- (c) the grant by the Securities Industry Council of Singapore (the “**SIC**”) (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of the Subscriber to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers for the Shares not held by the Subscriber following the issue of the Subscription Shares pursuant to the Proposed Subscription under the Conditional Subscription Agreement and the Option Shares pursuant to the exercise of the Options under the Conditional Subscription Agreement, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscriber (the “**Whitewash Waiver**”); and (ii) the independent Shareholders approving at a general meeting of the Company the proposed ordinary resolution of the Company which if passed by the independent Shareholders would result in a waiver by the independent Shareholders of their right to receive a mandatory general offer from the Subscriber in connection with the issue of the Subscription Shares and the Option Shares the “**Whitewash Resolution**”);
- (d) Shareholders’ approval being obtained at an extraordinary general meeting of the Company (an “**EGM**”) to be duly convened for, *inter alia*, the Proposed Transactions, the allotment and issue of the Subscription Shares and the Option Shares (pursuant to the exercise of the Options), the transfer of controlling interest in the Company to the Subscriber, the Whitewash Resolution, the Proposed Divestments (if necessary), the Proposed Share Consolidation and the Proposed Debt Restructuring (including the allotment and issue of the Settlement Shares thereunder (the “**Proposed Issue of Settlement Shares**”)); and
- (e) such consents, approval or waiver as may be required (or deemed necessary by the parties) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the parties in respect of the transactions contemplated in the Conditional Subscription Agreement and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties.

Financial Conditions

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

- (a) the Loan Restructuring resulting in not more than US\$18,400,000 (approximately S\$25.0 million) owed to the Continuing Lenders;
- (b) the cash liabilities from the Company’s Past Liabilities pursuant to the Proposed Debt Restructuring and professional fees and transaction costs other than those funded by the Upfront Amount (as defined below) for

Transaction Expenses (as defined below), less any recoverable assets and receivables and/or deferred consideration arising from the Proposed Divestments shall not be more than US\$6,000,000 (approximately S\$8.0 million) (the “**Approved Outstanding Past Liabilities**”);

- (c) sale proceeds from one of the Proposed Divestment to be applied to pare down the Past Liabilities, or in the event that such Proposed Divestment has not taken place on the Completion Date, satisfactory refinancing of the loan secured by such asset; and
- (d) save for the Approved Outstanding Past Liabilities, the Past Liabilities shall be settled in full via the issuance of Settlement Shares and net proceeds and/or deferred consideration arising from the Proposed Divestments.

Upfront Amount

S\$670,000 which forms part of the Subscription Amount (the “**Upfront Amount**”) to be paid by the Subscriber on or before the date of the Conditional Subscription Agreement, into a bank account in the name of the Company to be held by Stone Forest Accountserve Pte Ltd (the “**Service Provider**”) for the purposes of retaining the Upfront Amount from the date of payment of the Upfront Amount up to the earlier of (a) the termination date of this Agreement; or (b) the Completion Date (the “**Upfront Amount Account**”). For the avoidance of doubt, the Upfront Amount shall form part of the Subscription Amount and the Subscription Amount payable on Completion shall be set off by the Upfront Amount.

S\$335,000 out of the Upfront Amount shall be utilised for the payment of professional fees in relation to the Proposed Transactions and the Proposed Debt Restructuring (including the Proposed Issue of Settlement Shares), which shall include but not be limited to the professional fees for the (a) preparation of the definitive documentation, such as the Conditional Subscription Agreement; (b) application to SIC for the Whitewash Waiver; (c) fees for the independent financial adviser; (d) preparation of shareholders’ circular to obtain Shareholders’ approval; (e) preparation of trading resumption proposal which would include engagement of the auditors to review the cash flow projections and proforma financial statements; and (f) the Proposed Debt Restructuring (the “**Transaction Expenses**”).

Inter-conditionality

Completion of the Proposed Transactions shall be inter-conditional with the completion of the Proposed Share Consolidation and the Proposed Debt Restructuring (including the allotment and issue of the Settlement Shares), such that the Financial Conditions are met.

Longstop Date

If any of the Conditions are not satisfied or waived by the date falling six (6) months from the date of the Conditional Subscription Agreement (the “**Longstop Date**”), the Conditional Subscription Agreement shall terminate forthwith and the obligations of the parties shall cease and be of no further effect, and no party shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Proposed Transactions, save for any antecedent breach of the Conditional Subscription Agreement or the parties’ respective liability in relation to the Upfront Amount and for the

payment of costs and expenses under the Conditional Subscription Agreement.

Completion

Subject to the Conditions, completion of the Proposed Subscriber Transactions (the “**Completion**”) shall take place no later than seven (7) business days from the date falling on which all of the Conditions have been satisfied or waived in accordance with the Conditional Subscription Agreement (the “**Completion Date**”), at the office of the Company (or at such other place or by such other means as may be agreed between the parties).

Without prejudice to any other remedies available, if in any respect the completion provisions of the Conditional Subscription Agreement are not complied with by either party on the Completion Date, the party not in default may:

- (a) defer Completion to a date not more than twenty-eight (28) days after the Completion Date and not later than the Longstop Date (and so that the completion provisions of the Conditional Subscription Agreement shall apply to Completion as so deferred);
- (b) effect Completion so far as practicable having regard to the defaults which have occurred (without prejudice to their rights under the Conditional Subscription Agreement); or
- (c) terminate the Conditional Subscription Agreement (save for the relevant surviving provisions thereto) and no party shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Proposed Subscriber Transactions, save for any antecedent breach of the Conditional Subscription Agreement or the parties’ respective liability in relation to the Upfront Amount and for the payment of costs and expenses under the Conditional Subscription Agreement.

Representations and Warranties

Each of the Company and the Subscriber have, in the Conditional Subscription Agreement, provided such representations and warranties as are customary for transactions of the nature of the Proposed Transactions or other similar transactions.

Undertakings

The Company undertakes to the Subscriber that it will, *inter alia*:

- (a) save with the written approval of the Subscriber (such approval not to be unreasonably withheld or delayed) and/or save as utilised in accordance with the Conditional Subscription Agreement, retain the Upfront Amount in the Upfront Amount Account and not utilise any amounts of the Upfront Amount prior to Completion;
- (b) from the date of the Conditional Subscription Agreement until Completion, save with the written approval of the Subscriber (such approval not to be unreasonably withheld or delayed), not incur or agree to incur any commitment to capital expenditure for an amount which exceeds or could exceed S\$100,000, other than in the ordinary course of business;
- (c) utilise S\$335,000 out of the Upfront Amount for payment

of Transaction Expenses, provided that such utilisation shall be subject to the prior written approval of the Subscriber (such approval not to be unreasonably withheld or delayed). The Parties further agree that for the purposes of obtaining such prior written approval from the Subscriber, the Company shall provide the Subscriber with a list of Transaction Expenses with payment milestones and upon approval being obtained (the “**Pre-Approved Transaction Expenses**”), the Company shall be entitled to the utilisation of the Upfront Amount for the payment of Pre-Approved Transaction Expenses, whilst providing periodic updates to the Subscriber. In the event of any material changes to such Pre-Approved Transaction Expenses, further written approval (such approval not to be unreasonably withheld or delayed) shall be sought from the Subscriber;

- (d) utilise the remaining net proceeds of S\$15,745,000 from the Subscription (after deduction of the amounts which are utilised for Pre-Approved Transaction Expenses) to settle the Approved Outstanding Past Liabilities and related transaction costs for such settlement (which includes professional fees) and funding of new renewable energy related project/(s) and/or working capital for the Remaining Assets;
- (e) utilise the proceeds from the Proposed Divestments to pare down the existing loans, payment of related transaction costs for the Proposed Divestments and as partial cash settlement of the Proposed Debt Restructuring;
- (f) in the event that the Subscriber exercises the Options, to use such proceeds for new renewable energy related project/(s) and/or working capital for the Remaining Assets;
- (g) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the SGX-ST; and
- (h) for so long as it remains listed on the SGX-ST, take all necessary steps to ensure that all approvals for the issue, allotment, listing and quotation of the Subscription Shares to be issued pursuant to the Subscription and Option Shares to be issued pursuant to the exercise of the Options is not revoked, amended and where such approval is subject to conditions, use best endeavours to fulfil them and obtain and maintain a listing for all such Shares as and when they are issued.

Termination Rights

Each of the Company and the Subscriber shall be entitled to terminate the Conditional Subscription Agreement in the event of any breach of the representations, warranties and undertakings is not remedied (to the reasonable satisfaction of the non-defaulting party) within up to thirty (30) business days (or such other period to be agreed between the Company and the Subscriber, as appropriate) from the receipt of a written notice by the defaulting party from the non-defaulting party notifying of such breach.

In the event of termination of the Conditional Subscription Agreement in accordance with the Conditional Subscription Agreement which is due to the Subscriber's Fault⁴, the Upfront Amount (less any amounts utilised in accordance with the Conditional Subscription Agreement and any fees incurred in relation to maintaining the Upfront Amount Account with the Service Provider) shall be forthwith and without delay, released from the Upfront Amount Account to the Company.

In all other circumstances, the Upfront Amount (less any amounts utilised in accordance with this Agreement and any fees incurred in relation to maintaining the Upfront Amount Account with the Service Provider) shall be forthwith and without delay, released from the Upfront Amount Account and returned to the Subscriber.

For the avoidance of doubt, no Party shall be liable to the other for any amounts of the Upfront Amount utilised in accordance with this Agreement and/or any fees incurred in relation to maintaining the Upfront Amount Account with the Service Provider.

Governing Law and Jurisdiction

The validity, construction, and performance of the Conditional Subscription Agreement (and any claim, dispute or matter arising under or in connection with it or its enforceability) shall be governed by and construed in accordance with the laws of Singapore.

Any dispute arising out of or in connection with the Conditional Subscription Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre (the "SIAC") in accordance with the Arbitration Rules of the SIAC for the time being in force.

5. PRINCIPAL TERMS OF THE PROPOSED SUBSCRIPTION

5.1. Issue Size

It is expected that the Subscription Shares will represent approximately 64.9% of the enlarged share capital of the Company, assuming the Proposed Share Consolidation and the maximum issuance of the Subscription Shares and Settlement Shares (but excluding any issue of the Option Shares pursuant to the exercise of the Options).

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

5.2. Authority to Issue the Subscription Shares

The Company will be seeking specific Shareholders' approval for the Proposed Subscription and the allotment and issue of the Subscription Shares at an EGM to be convened pursuant to Catalist Rules 803, 805(1), 811(3) and 824.

⁴ The Subscriber is considered to be at fault if the Subscriber fails and/or refuses to effect Completion in the event where the Company has fully completed the requirements of the conditions precedent and/or the Financial Conditions,

Shareholders are to note that the Subscriber will be the new controlling Shareholder. A circular is expected to be issued and despatched by the Company to its Shareholders in due course, containing the necessary information to seek for the approvals required, including business plans which the Subscriber may have for the Company, going forward. Please see paragraph 9 (*Regulatory and shareholder approvals required*) of this announcement for further details of the regulatory and shareholder approvals required.

5.3. Use of Proceeds

The aggregate net proceeds from the Proposed Subscription (after deduction of estimated expenses of S\$335,000 for the Proposed Transactions), will be S\$15,745,000 and is intended to be used by the Company in the following estimated proportions:

Use of Proceeds	S\$'000	Percentage Allocation
Settlement of Approved Outstanding Past Liabilities	8,040	51%
Funding for new renewable energy related projects	6,130	39%
General working capital	1,575	10%
TOTAL	15,745	100%

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

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

5.4. Catalist Rule 812

The Subscriber is not a person who falls within the categories set out in Catalist Rule 812(1). Accordingly, none of the Subscription Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Catalist Rule 812(1).

5.5. No Placement Agent

There is no placement agent appointed for the Proposed Subscription. The Proposed Subscription will be by way of a private placement pursuant to an exempted offer under Section 272B of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"). Hence, no prospectus or offer information statement will be issued in connection with the Proposed Subscription.

6. PRINCIPAL TERMS OF THE PROPOSED GRANT OF OPTIONS

6.1. Principal terms of the Options

Options: Such number of Options constituting S\$16,080,000 in principal amount, subject to any adjustments required as summarised

below in *Adjustments* pursuant to the Conditional Subscription Agreement.

Consideration:	S\$1.00.
Status and transferability of the Options:	The Options constitute valid, legally binding and enforceable obligations of the Company and are unlisted and freely transferable.
Exercise rights of the Options:	Each Option entitles the holder of the Options (the “Option Holder”) to subscribe for one (1) Option Share at the Option Exercise Price (as defined below) during the Exercise Period (as defined below). The Option Holder may only exercise the Options in tranches of S\$50,000 at any time during the Exercise Period (with fractional entitlements to be disregarded), save where the balance of Options held by an Option Holder is less than S\$50,000, in which case, the Option Holder may exercise all but not some of such balance of the Options (with fractional entitlements to be disregarded).
Option Exercise Price:	The exercise price shall be the sum payable in respect of each Option Share for which an Option Holder shall subscribe upon exercise of an Option (the “ Option Exercise Price ”), which shall be a 10.0% premium over the Subscription Price, subject to any adjustments required as summarised below in <i>Adjustments</i> pursuant to the Conditional Subscription Agreement.
Exercise Period:	The exercise period shall be the period commencing on and including the date of issue of the Options and expiring on the fifth (5th) anniversary of the date of issue of the Options, unless such date is a date on which the register of members is closed or is not a market day, in which event, such period shall end on the date prior to the closure of the register of members of the Company or immediate preceding market day (as the case may be) (the “Exercise Period”). At the expiry of the Exercise Period (the “Expiry Date”), the Options, if not exercised, shall lapse and cease to be valid for any purpose.
Exercise Date:	The exercise date, in relation to the exercise of the Options, shall be the market day (falling within the Exercise Period) on which the applicable conditions referred to in Options Agreement are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls on a date when the register of members of the Company is closed, the option exercise date shall be the following market day on which the register of members is open (the “Exercise Date”). The Options which are exercised shall be treated as exercised on the Exercise Date, and shall immediately thereafter be cancelled on the Exercise Date.
Adjustments:	The Option Exercise Price and number of Options are subject to certain anti-dilution adjustments under circumstances provided for in the Conditional Subscription Agreement. Such circumstances relate to, <i>inter alia</i>: (a) an issue by the Company of Shares to Shareholders

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

- (b) a Capital Distribution (as defined in the Conditional Subscription Agreement) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (c) any share split, consolidation, reclassification or subdivision of the Shares.

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

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

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

Governing law: Singapore.

6.2. Issue Size

It is expected that the Option Shares will represent approximately 77.9% of the enlarged share capital of the Company, assuming the Share Consolidation, the maximum issuance of the Subscription Shares and Settlement Shares and assuming that the Options are fully exercised by the Subscriber, but not taking into consideration any other Shares that may otherwise be issued. Shareholders are to note that this remains subject to the final Subscription Price and the Option Exercise Price.

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

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

6.3. Authority to Issue the Option Shares

The Company will be seeking specific Shareholders' approval for the Proposed Grant of Options and the allotment and issue of the Option Shares at an EGM to be convened pursuant

to Catalist Rules 803, 805(1), 811(3) and 824.

6.4. **Use of Proceeds**

Assuming that all the Options are validly exercised, the aggregate gross proceeds from the issuance of Option Shares will be S\$16,080,000. No material expenses are expected to be incurred from the Proposed Grant of Options. The aggregate gross proceeds from the exercise of the Options shall be used by the Company in the following estimated proportions:

Use of Proceeds	S\$'000	Percentage Allocation
Funding for new renewable energy related projects	14,472	90%
General working capital	1,608	10%
TOTAL	16,080	100%

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

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

6.5. **Catalist Rule 812**

The Subscriber is not a person who falls within the categories set out in Catalist Rule 812(1). Accordingly, none of the Option Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Catalist Rule 812(1).

6.6. **No Placement Agent**

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

7. **FURTHER ANNOUNCEMENTS**

As the terms of the Proposed Share Consolidation and the Proposed Debt Restructuring (both of which the Proposed Transactions are inter-conditional on) have not been finalised, the Company will provide more details to its Shareholders in due course, including the issue size of the Subscription Shares, Options and Option Shares, the Subscription Price, the Option Price and the financial effects of the Proposed Transactions.

Further, the Company will also make the requisite announcements in compliance with the requirements of the Catalist Rules, when there are material developments in respect of the Proposed Transactions, the Proposed Divestments, the Proposed Debt Restructuring and the Proposed Share Consolidation.

8. **INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors and to the best of the knowledge of the Directors, none of the controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Transactions, other than through their respective directorships and shareholdings in the Company, if any.

9. REGULATORY AND SHAREHOLDER APPROVALS REQUIRED

9.1. The Proposed Transactions are subject to the conditions precedent as set out in the Conditional Subscription Agreement, and includes the following:

- (a) the Whitewash Waiver granted by the SIC; and
- (b) approval of Shareholders for, *inter alia*, the Proposed Subscription, the Proposed Grant of Options, the transfer of controlling interest in the Company to the Subscriber and the approval of the independent Shareholders for the Whitewash Waiver, at the EGM to be convened.

9.2. Approvals will also be sought where necessary for the Proposed Divestments, the Proposed Share Consolidation and the Proposed Debt Restructuring (including the Proposed Issue of the Settlement Shares).

9.3. Upon the finalisation of the terms of the Proposed Share Consolidation and the Proposed Debt Restructuring (and any other transactions contemplated by the Company), the Company will make the requisite announcements in compliance with the requirements of the Catalist Rules and will also issue and despatch a circular to Shareholders containing the necessary information to seek for the approvals required.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Conditional Subscription Agreement are available for inspection 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, #05-08/09, Alexandra Technopark, Singapore 119968 for a period of three (3) months commencing from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at enquiries@charismaenergy.com prior to making any visits to arrange for a suitable time slot for the inspection.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

12. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Transactions remain subject to, amongst others, the fulfilment of the Conditions under the Conditional Subscription Agreement. **There is no certainty or assurance that the conditions precedent for the Proposed Transactions can be fulfilled or that the Proposed Transactions will be undertaken at all.** Although the Shares are under suspension, shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when

dealing with the shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

By Order of the Board

Tan Wee Sin
Company Secretary
10 January 2022

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

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