

CHARISMA ENERGY SERVICES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199706776D)

CHARISMA ACQUIRES 80% OF A 20MW SOLAR PV POWER PLANT AND TO SUPPLY ELECTRICITY TO THE NATIONAL GRID IN CENTRAL CHINA FOR 25 YEARS

The Board of Directors ("Board") of Charisma Energy Services Limited (the "Company" or together with its subsidiaries, the "Group") is pleased to announce that the Company had acquired 80% equity interest in an entity incorporated in the People's Republic of China (the "Subsidiary") from a Chinese company (the "Vendor") for a cash consideration of RMB7,000,000 (equivalent to USD1,074,000⁽¹⁾) (the "Acquisition"). The consideration was arrived at on a willing buyer, willing seller basis and commercially negotiated terms, taking into account the net tangible asset of the Subsidiary as at 31 March 2016 of approximately nil.

The principal activities of the Subsidiary are that of construction, ownership, operation and maintenance of a 20 megawatt ("MW") Solar Photovoltaic ("Solar PV") power plant. The Subsidiary currently has the regulatory approval to develop the Solar PV power plant and to supply electricity to the National Grid in Central China for 25 years (the "Project"). The Subsidiary was set up for the purpose of the Project and currently does not have any operations. In connection with the Acquisition, the Subsidiary is currently undergoing a name change which will be disclosed in due course.

The expected commercial operation date of the Project is in 1st quarter of 2017 and the expected revenue from the Project for the first five years is approximately RMB140,000,000 (equivalent to USD21,473,000⁽¹⁾).

The Acquisition was funded through internal resources and is not expected to have a material impact on the Group's earnings per share and net tangible asset per share for the financial year ending 31 December 2016.

None of the Directors or substantial shareholders of the Company has any interest, directly or indirectly, in the above transaction, save for their shareholdings in the Company.

⁽¹⁾Translated using exchange rate of USD1:RMB6.52

By Order of the Board

Lee Tiong Hock
Company Secretary
16 May 2016

This announcement has been prepared by the Company and reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.