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**(A) PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,463,211,911 WARRANTS ON THE BASIS OF ONE (1) RIGHTS WARRANT FOR EVERY TEN (10) EXISTING ORDINARY SHARES; AND**

**(B) PROPOSED PLACEMENT OF UP TO 1,000,000,000 NEW WARRANTS**

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*Unless otherwise stated, all references to dollars and cents shall refer to dollars and cents of the currency of Singapore.*

The Board of Directors (the “**Directors**”) of Charisma Energy Services Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to raise capital by way of (i) a renounceable non-underwritten rights issue of up to 1,463,211,911 warrants (“**Rights Warrants**” and each, a “**Rights Warrant**”) on the basis of one (1) Rights Warrant for every ten (10) existing ordinary shares (the “**Rights Issue**”) and (ii) a placement of up to 1,000,000,000 new listed warrants (the “**Placement Warrants**”) to existing holders of the W161103 Warrants of the Company (“**W161103 Warrantholders**”) as at the Books Closure Date (as defined below) or as at 5.00 pm on 3 November 2016, whichever date is earlier, subject to the receipt of the listing and quotation notice from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), on the basis of one (1) Placement Warrant for every one (1) W161103 Warrant, on a best efforts basis (the “**Placement Warrant Issue**”).

The Company will be appointing DBS Bank Ltd as the issue manager (“**Issue Manager**”) for the Rights Issue.

The issue price for each Rights Warrant is 0.20 cents (the “**Rights Issue Issue Price**”), and each Rights Warrant will entitle the holder (a “**Rights Warrantholder**”) to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Share**” or “**Rights Share**”) at an exercise price of 0.20 cents for each New Share (the “**Rights Warrant Exercise Price**”), subject to the terms and conditions of the Rights Warrants as set out in the deed poll (the “**Rights Warrants Deed Poll**”) to be executed by the Company for the purposes of constituting the Rights Warrants.

The issue price for each Placement Warrant is 0.20 cents (the “**Placement Warrant Issue Price**”), with each Placement Warrant entitling the holder (a “**Placement Warrantholder**”) to subscribe for one (1) new ordinary share in the capital of the Company (the “**Placement Warrant Share**”) at the exercise price of 0.20 cents per Placement Warrant Share (the “**Placement Warrant Exercise Price**”), subject to the terms and conditions of the Placement Warrants as set out in a deed poll to be executed by the Company for the purposes of constituting the Placement Warrants (the “**Placement Warrants Deed Poll**”).

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as the placement agent (“**Placement Agent**”) for the Placement Warrants Issue.

## **1. RATIONALE AND USE OF PROCEEDS**

**1.1. Rationale.** The Directors believe that the Rights Issue and the Placement Warrants Issue will provide the Placement Warrantholders and the Rights Warrantholders with the opportunity to further participate in the equity of the Company by subscribing for new shares through the exercise of the Placement Warrants and the Rights Warrants. In addition, the Directors believe that the proceeds arising from the Placement Warrants Issue

and the Rights Issue and through the exercise of the Placement Warrants and the Rights Warrants (as and when exercised), will (i) expand and strengthen the capital base of the Company, (ii) provide additional resources for business expansion in the renewable energy sector, and (iii) confer additional financial flexibility on the Company and enable it to respond proactively to strategic business opportunities and working capital requirements.

- 1.2. **Amount.** The Rights Issue and the Placement Warrants Issue (after deducting expenses related thereto) will raise net proceeds as follows:

| Description                     | Minimum Subscription Scenario for the Rights Issue <sup>1</sup> and Minimum Subscription Scenario for the Placement Warrants Issue <sup>2</sup> | Maximum Subscription Scenario for the Rights Issue <sup>3</sup> and Maximum Subscription Scenario for the Placement Warrants Issue <sup>4</sup> |
|---------------------------------|---|---|
| <b>Rights Issue</b>             | S\$2,602,000  | S\$2,926,000  |
| <b>Placement Warrants Issue</b> | S\$0  | S\$2,000,000  |
| Professional fees and expenses  | S\$(500,000)  | S\$(500,000)  |
| <b>Total</b>                    | <b>S\$2,102,000</b>   | <b>S\$4,426,000</b>   |

Assuming all the Placement Warrants and the Rights Warrants are exercised, the total net proceeds are as follows:

| Description                     | Minimum Subscription Scenario for the Rights Issue and Minimum Subscription Scenario for the Placement Warrants Issue | Maximum Subscription Scenario for the Rights Issue and Maximum Subscription Scenario for the Placement Warrants Issue |
|---------------------------------|---|---|
| <b>Rights Issue</b>             | S\$5,204,000  | S\$5,852,000  |
| <b>Placement Warrants Issue</b> | S\$0  | S\$4,000,000  |
| Professional fees and expenses  | S\$(500,000)  | S\$(500,000)  |
| <b>Total</b>                    | <b>S\$4,704,000</b>   | <b>S\$9,352,000</b>   |

- 1.3. **Use of Proceeds.** The Company intends to use the net proceeds from the Rights Issue and the Placement Warrants Issue to fund general corporate activities including, but not limited to, acquisitions and construction of renewable energy assets, entering into strategic alliances and/or joint ventures to develop renewable energy assets and for the Group's general working capital purposes. The cash proceeds from the Rights Issue and the

<sup>1</sup> Please refer to Section 4.3 of this announcement for the Minimum Subscription Scenario for the Rights Issue.

<sup>2</sup> The minimum subscription scenario for the Placement Warrants Issue assumes that no Placement Warrants are subscribed for.

<sup>3</sup> Please refer to Section 4.3 of this announcement for the Maximum Subscription Scenario for the Rights Issue.

<sup>4</sup> The maximum subscription scenario for the Placement Warrants Issue assumes that all Placement Warrants are subscribed for.

Placement Warrants Issue will be used by the Company in the following estimated proportions:

| Use of Proceeds   | Percentage Allocation<br>(%) |
|---|------------------------------|
| To fund corporate activities including, but not limited to, acquisitions, joint ventures and/or strategic alliances | 70                           |
| General working capital purposes  | 30                           |

As and when the Rights Warrants and the Placement Warrants are exercised, the Company intends for the proceeds arising therefrom to be applied to the same purposes as stated above.

- 1.4. Pending deployment, the net proceeds of the Rights Issue and the Placement Warrants Issue, as well as proceeds from the exercise of the Rights Warrants and the Placement Warrants, may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Company.
- 1.5. The Directors are of the opinion that:
  - (a) taking into consideration the present bank facilities available to the Group, the Group's internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements, and the Rights Issue and the Placement Warrants Issue is being undertaken for the aforesaid reasons and the intended use of proceeds; and
  - (b) after taking into consideration the present bank facilities available to the Group and the proceeds arising from the Rights Issue and the Placement Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.
- 1.6. The Company will make periodic announcements on the use of proceeds from the Rights Issue and the Placement Warrants Issue as and when funds are materially disbursed, as well as provide status reports on the use of proceeds and where such proceeds have been used for working capital, a breakdown with specific details on how the proceeds have been applied from the Rights Issue and the Placement Warrants Issue in the Company's annual reports as well as the interim and full-year financial statements until such time the proceeds have been fully utilised.

*For further details on the Rights Issue and the Placement Warrants Issue, please refer to Section A and Section B of this announcement respectively. Please refer to Section C of this announcement for general information on the Rights Issue and the Placement Warrants Issue.*

**(A) PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,463,211,911 WARRANTS ON THE BASIS OF ONE (1) RIGHTS WARRANT FOR EVERY TEN (10) EXISTING ORDINARY SHARES**

**2. INTRODUCTION**

- 2.1. The Directors wishes to announce that the Company is proposing to undertake a renounceable non-underwritten Rights Issue of up to 1,463,211,911 Rights Warrants at an issue price of 0.20 cents for each Rights Warrant, on the basis of one (1) Rights Warrant for every ten (10) existing ordinary shares in the capital of the Company ("**Shares**") held by the shareholders of the Company ("**Shareholders**"), as at a time and date to be determined by the Directors, on which the register of members of the Company ("**Register of Members**") and share transfer books of the Company will be closed to determine the

Shareholders' entitlements to the provisional allotments of the Rights Warrants under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.

- 2.2. Each Rights Warrant will carry the right to subscribe for one (1) New Share at an exercise price of 0.20 cents for each New Share, subject to the terms and conditions of the Rights Warrants as set out in the Rights Warrants Deed Poll to be executed by the Company for the purposes of constituting the Rights Warrants.
- 2.3. To demonstrate their support for the Rights Issue, three shareholders of the Company (the "**Undertaking Shareholders**"), namely Ezion Holdings Limited ("**Ezion**"), Mr. Patrick Tan Choon Hock ("**Mr. Tan**") and Sunshine Capital Group Pte Ltd ("**Sunshine**"), who hold approximately 41.98%, 11.48%<sup>5</sup> and 2.15% respectively, of the Company's issued and paid-up share capital as at the date of this announcement, have each provided an irrevocable undertaking ("**Irrevocable Undertaking**") that they will, subject to the terms of their Irrevocable Undertaking, subscribe and pay in full for their respective pro rata entitlement of Rights Warrants (entitlement pro rata vis-à-vis all other Shareholders) and in relation to the remaining unsubscribed Rights Warrants ("**Excess Rights Warrants**"), any balance of the Excess Rights Warrants that are not taken up by Shareholders (excluding the Undertaking Shareholders) (the "**Balance Excess Rights Warrants**") in equal proportions to each of the other Undertaking Shareholders. Please refer to paragraph 6 of this announcement for further information on the Irrevocable Undertakings.

### 3. APPROVALS AND CONDITIONS

- 3.1. The Rights Issue will be issued pursuant to the authority granted by the share issue mandate ("**Share Issue Mandate**") passed by Shareholders at the Company's last annual general meeting held on 26 April 2016 (the "**AGM**"). The Share Issue Mandate authorises the Directors to, *inter alia*, allot and issue Shares whether by way of rights, bonus or otherwise and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued provided that, amongst others, the aggregate number of Shares (including Shares to be issued pursuant to the Instruments, made or granted under the Share Issue Mandate) shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company as at the date of the AGM (subject to certain adjustments as provided in the Share Issue Mandate) if the issuance is on a pro rata basis to existing Shareholders. The Rights Issue is undertaken pursuant to the Share Issue Mandate and no further Shareholders' approval will be specifically sought for the Rights Issue and the new shares arising therefrom.
- 3.2. The Rights Issue is also conditional on, amongst others, the following:
  - (a) the receipt of the listing and quotation notice from the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Warrants under the Rights Issue) for the dealing in and listing and quotation of the Rights Warrants and the Rights Shares (to be allotted and issued by the Company upon the exercise of the Rights Warrants) on the Catalist of the SGX-ST ("**Catalist**") ;
  - (b) the execution of the Rights Warrants Deed Poll; and
  - (c) the lodgement of the offer information statement ("**Offer Information Statement**" or "**OIS**"), together with all other necessary accompanying documents, in connection with the Rights Issue, with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (the "**Authority**").

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<sup>5</sup> This includes Mr. Tan's deemed interest in 3.79% of the Company's issued and paid-up share capital held through his spouse and through nominees.

- 3.3. The Company will be making an application to the SGX-ST through its continuing sponsor, PrimePartners Corporate Finance Pte. Ltd. (“**Sponsor**”) for the permission to deal in, and for the listing and quotation of the Rights Warrants and the New Shares on Catalist. Appropriate announcements in relation to the application will be made in due course.

#### 4. **PRINCIPAL TERMS OF THE RIGHTS ISSUE**

- 4.1. **Form and Subscription Rights of the Rights Warrants.** Based on the issued share capital of the Company of 13,010,308,855 Shares as at the date of this announcement, up to 1,301,030,885 Rights Warrants will be offered at the Rights Issue Issue Price of 0.20 cents for each Rights Warrant on the basis of one (1) Rights Warrant for every ten (10) existing Shares held by Shareholders as at the Books Closure Date. The Rights Warrants will be issued in registered form and be constituted in an instrument by way of a Rights Warrants Deed Poll that sets out the terms and conditions of the Rights Warrants and which may from time to time be amended or supplemented. Each Rights Warrant will, subject to the terms and conditions to be set out in the Rights Warrants Deed Poll, carry the right to subscribe for one (1) New Share at a Rights Warrant Exercise Price of 0.20 cents for each New Share within the period during which the Rights Warrants may be exercised (the “**Rights Warrants Exercise Period**”), being the period commencing on and including the date of issue of the Rights Warrants and expiring at 5.00 p.m. on the date preceding the fifth (5th) anniversary of the date of issue of the Rights Warrants, unless such date is a date on which the Register of Members is closed or is not a day on which Catalist is open for securities trading (“**Market Day**”), in which event, the last day of the Rights Warrants Exercise Period shall be the immediately preceding Market Day on which the register of members of the Company (“**Register of Members**”) remains open, but excluding such period(s) during which the Register of Rights Warrantholders of the Company may be closed, subject to the terms and conditions of the Rights Warrants as set out in the Rights Warrants Deed Poll. The Rights Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.
- 4.2. **Rights Issue Issue Price and Rights Warrant Exercise Price.** The Rights Issue Issue Price and the Rights Warrant Exercise Price of each Rights Warrant will be 0.20 cents and 0.20 cents respectively. As such, the total cost of each New Share would be 0.40 cents (aggregating the Rights Issue Issue Price and the Rights Warrant Exercise Price) which represents a discount of 50.0% to the closing price of 0.80 cents per Share on Catalist on 30 September 2016, being the full Market Day of this announcement.
- 4.3. **Size of the Rights Issue.** As at the date of this announcement, the existing issued and paid-up share capital of the Company consist of 13,010,308,855 Shares (the “**Existing Share Capital**”). The Company does not have any Shares held in treasury.

In addition, as at the date of this announcement, the Company has the following outstanding warrants and convertible securities, which may be exercised on or prior to Books Closure Date:

- (a) an aggregate of 1,000,000,000 outstanding warrants issued by the Company on 4 November 2013, each warrant entitling the holder to subscribe for one (1) new Share at an exercise price of S\$0.025 per warrant, all of which may be exercised on or prior to Books Closure Date (the “**Outstanding Warrants**”);
- (b) an aggregate of 7,299,270 redeemable exchangeable preference shares were issued by a subsidiary of the Company in 2015, which have the right to be exchanged into an aggregate of 523,620,516 new Shares at the exchange price of US\$0.01394 (equivalent to approximately S\$0.0191 based on the exchange rate of US\$1.00:S\$1.37), of which 50% of the redeemable exchangeable preference shares

may be exercised on or prior to Book Closure Date (“**Outstanding Redeemable Exchangeable Preference Shares**”); and

- (c) an aggregate of S\$30,000,000 5% convertible perpetual capital securities issued by the Company on 28 March 2013 at an issue price of 100 per cent, of which S\$9,000,000 remains outstanding which may be convertible into 360,000,000 Shares of the Company at a conversion price of S\$0.025 per new Share, all of which may be converted on or prior to Books Closure Date (“**Outstanding Capital Securities**”).

In the event that none of the Outstanding Warrants, Outstanding Redeemable Exchangeable Preference Shares and Outstanding Capital Securities are exercised and converted into Shares, the issued and paid-up share capital of the Company (excluding treasury shares) will amount to 13,010,308,855 Shares (the “**Minimum Base Scenario**”).

In the event that all the Outstanding Warrants, Outstanding Redeemable Exchangeable Preference Shares and Outstanding Capital Securities are exercised and converted into new Shares, the issued and paid-up share capital of the Company (excluding treasury shares) will be 14,632,119,113 Shares (the “**Maximum Base Scenario**”).

***In relation to the Rights Issue, for illustrative purposes only,***

Assuming that:

- (a) based on the ***Minimum Base Scenario***; and
- (b) only the Undertaking Shareholders subscribe for their pro rata entitlement of Rights Warrants (entitlement pro rata vis-à-vis all other Shareholders) in accordance with the terms of their Irrevocable Undertakings, and none of the Shareholders (except for Undertaking Shareholders) subscribe for their entitlements to the Rights Warrants and/or apply for any Excess Rights Warrants,

up to 1,301,030,885 Rights Warrants and assuming all these Rights Warrants are exercised, up to 1,301,030,885 Rights Shares will be issued under the Rights Issue, which would constitute 10.00% of the Existing Share Capital and 9.09% of the enlarged share capital of the Company (the “**Minimum Subscription Scenario for the Rights Issue**”).

Assuming that:

- (a) based on the ***Maximum Base Scenario***; and
- (b) all the Entitled Shareholders (as defined below) subscribe in full for their pro rata entitlement of Rights Warrants (entitlement pro rata vis-a-visa all other Shareholders) under the Rights Issue,

up to 1,463,211,911 Rights Warrants and assuming all these Rights Warrants are exercised, up to 1,463,211,911 Rights Shares will be issued under the Rights Issue, which would constitute 11.25% of the Existing Share Capital and 9.09% of the enlarged share capital of the Company (the “**Maximum Subscription Scenario for the Rights Issue**”).

- 4.4. Issue and Trading of the Rights Warrants.** The Rights Warrants will be issued in registered form and will be listed and traded separately on Catalist under the book-entry (scripless) settlement system, upon the listing and quotation of the Rights Warrants on Catalist, subject to, amongst others, there being an adequate spread of holdings of the Rights Warrants to provide for an orderly market in the trading of the Rights Warrants.

Each board lot of the Rights Warrants will consist of 100 Rights Warrants or such other board lot size which the SGX-ST may require.

***It is anticipated that the Rights Warrants will be issued and allotted, as well as listed and quoted on the Catalist at the same time as the Placement Warrants and both the Rights Warrants and the Placement Warrants shall rank pari passu in respect of the existing issued warrants of the Company.***

***The terms and conditions of the Rights Warrants as constituted by the Rights Warrants Deed Poll will be the same as the terms and conditions of the Placement Warrants as constituted by the Placement Warrants Deed Poll.***

- 4.5. **Status of the Rights Shares.** The Rights Shares arising from the exercise of the Rights Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant date of exercise of the Rights Warrants and shall rank *pari passu* in respect with the then existing issued Shares.
- 4.6. **Fractional Entitlements.** Fractional entitlements to the Rights Warrants, shall be disregarded or dealt with in such manner as the Directors shall deem fit.
- 4.7. **Excess Rights Warrants.** Excess Rights Warrants will be allotted in such manner as the Directors may, in their absolute discretion, deem fit subject to applicable laws and Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the “**Catalist Rules**”). In the allotment of Excess Rights Warrants, preference will be given to the rounding of odd lots. Directors and substantial shareholders of the Company who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Warrants.
- 4.8. Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), or decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Warrants and will be eligible to apply for additional Rights Warrants in excess of their provisional allotments under the Rights Issue.
- 4.9. The terms and conditions of the Rights Issue are subject to changes as the Directors, after consultation with the Issue Manager and the Sponsor, may deem fit. The final terms and conditions of the Rights Issue will be contained in the OIS to be lodged by the Company with the SGX-ST, acting as agent of the Authority, and to be despatched to Entitled Shareholders (as defined below) in due course.

## 5. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

- 5.1. **Entitled Shareholders.** The Rights Issue is proposed to all the “**Entitled Shareholders**”, comprising Entitled Depositors and Entitled Scripholders (both as defined below).

Shareholders whose Shares are registered in the name of The Central Depository (Pte) Limited (“**CDP**”) and whose securities accounts with CDP are credited with Shares as at Books Closure Date (“**Depositors**”) will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Books Closure Date. To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as at the Book Closure Date or must have, at least three (3) Market Days prior to the Books Closure Date, provided CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138588, with addresses in Singapore for the service of notices and documents.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received no later than 5.00 p.m. (Singapore time) on the Books Closure Date by Tricor Barbinder Share Registration Services (the “**Share Registrar**”) at 80 Robinson Road, #02-00, Singapore 068898, will be registered to determine the provisional entitlements of the transferee (“**Scripholder**”), which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP. To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore as at the Books Closure Date or must have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.

**5.2. CPF Investment Scheme.** Persons who bought their Shares previously using their Central Provident Fund (“**CPF**”) account savings (“**CPF Funds**”) may use the same for the payment of the Rights Issue Issue Price to accept their provisional allotments of Rights Warrants and (if applicable) apply for Excess Rights Warrants, subject to the applicable rules and regulations of the CPF. Such persons who wish to accept their provisional allotments of Rights Warrants will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Rights Warrants and (if applicable) apply for Excess Rights Warrants on their behalf in accordance with the OIS. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Warrants directly from the market. ANY APPLICATIONS MADE BY THE ABOVEMENTIONED ENTITLED SHAREHOLDERS DIRECTLY TO CDP OR THROUGH AUTOMATED TELLER MACHINES OF ANY PARTICIPATING BANK APPOINTED AND NAMED IN THE OIS WILL BE REJECTED. Such Entitled Shareholders should refer to the OIS to be lodged with the SGX-ST, acting as agent on behalf of the Authority, for import details relating to the offer procedure in connection with the Rights Issue.

**5.3. Foreign Shareholders.** For practical reasons and in order to avoid any violation of relevant securities legislation applicable in countries other than Singapore, the Rights Issue will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not at least three (3) Market Days prior to the Books Closure Date, provided to the Company, CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”).

The OIS to be issued and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of Rights Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid. Entitlements to Rights Warrants which would otherwise accrue to Foreign Shareholders will, if practical, be sold “nil-paid” on the SGX-ST after dealings in the provisional allotments of Rights Warrants commence.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Warrants commence. The net proceeds arising from such sales after deducting all expenses will be pooled and distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made of amounts of less than S\$10 to a single Foreign Shareholder, and such amount shall be retained for the sole benefit of the Company or otherwise dealt with as the Directors in their absolute discretion deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

If such provisional allotments of Rights Warrants cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Warrants, the Rights Warrants



represented by such provisional allotments will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

## **6. IRREVOCABLE UNDERTAKINGS**

- 6.1.** As at the date of this announcement, Ezion, Mr. Tan and Sunshine hold 5,461,932,000, 1,493,669,100 and 280,222,667 ordinary shares in the Company (“**Shares**”) respectively, representing approximately 41.98%, 11.48%<sup>6</sup> and 2.15% respectively of the Company’s issued and paid-up share capital. Accordingly, Ezion, Mr. Tan and Sunshine will be entitled to subscribe for an aggregate of 546,193,200, 149,366,910 and 28,022,266 Rights Warrants respectively. The total amount payable by the Undertaking Shareholders for their entitlements of the Rights Warrants will be approximately S\$1,447,165.
- 6.2.** To demonstrate their support for the Rights Issue as well as demonstrate their commitment to the Company, the Undertaking Shareholders have each provided the Company with an Irrevocable Undertaking to subscribe for and pay in full for their respective pro rata entitlement of the Rights Warrants (entitlement pro rata vis-à-vis all other Shareholders) and in relation to the remaining Excess Rights Warrants, any balance of the Excess Rights Warrants that are not taken up by Shareholders (excluding the Undertaking Shareholders) in equal proportion to each of the other Undertaking Shareholders. The Undertaking Shareholders have further undertaken that they would not exercise their Rights Warrants to the extent that it would trigger a mandatory offer for the Shares not already owned or controlled by them pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers.
- 6.3.** Under the Irrevocable Undertakings, each of the Undertaking Shareholders does not have the obligation to exercise any of their Rights Warrants.
- 6.4.** In view of the Irrevocable Undertakings, and after taking into consideration the cost of engaging an underwriter and having to pay commission in relation to such underwriting, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. The Directors are of the opinion that there is no minimum amount which must be raised from the Rights Issue taking into consideration the intended use of proceeds.
- 6.5.** The Irrevocable Undertakings shall automatically terminate upon the earlier of:
- (a) the Company deciding not to proceed with the Rights Issue for any reason whatsoever and upon the release of an announcement by the Company through SGXNET of such decision, subject to the Company’s compliance with the requirement of the Catalist Rules that the Rights Issue will not be withdrawn after the commencement of ex-rights trading; or
  - (b) at 5.30 p.m. (Singapore time) on 30 December 2016 or such other date as the Company and the Undertaking Shareholders may agree in writing.
- 6.6.** The Irrevocable Undertakings are subject to and conditional upon:
- (a) the receipt of the listing and quotation notice from the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Warrants under the Rights Issue) for the dealing in and listing and quotation of the Rights Warrants and the Rights Shares (to be allotted and issued by the Company upon the exercise of the Rights Warrants) on Catalist; and

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<sup>6</sup> This includes Mr. Tan’s deemed interest in 3.79% of the Company’s issued and paid-up share capital held through his spouse and through nominees.

- (b) the lodgement of the OIS, together with all other necessary accompanying documents, in connection with the Rights Issue, with the SGX-ST, acting as agent on behalf of the Authority.

## **(B) PROPOSED PLACEMENT OF UP TO 1,000,000,000 NEW WARRANTS**

### **7. INTRODUCTION**

- 7.1. The Directors also wishes to announce that the Company proposes to raise capital by way of a placement of up to 1,000,000,000 Placement Warrants at an issue price of 0.20 cents per Placement Warrant (the “**Placement Warrant Issue Price**”), with each Placement Warrant entitling the Placement Warrantholder to subscribe for one (1) Placement Warrant Share at the exercise price of 0.20 cents per Placement Warrant Share, subject to the terms and conditions of the Placement Warrants as set out in the Placement Warrants Deed Poll.
- 7.2. The Company intends to issue the Placement Warrants to investors procured by the Placement Agent, these investors being the W161103 Warrantholders as at Books Closure Date or as at 5.00 pm on 3 November 2016, whichever date is earlier, on the basis of one (1) Placement Warrant for every one (1) W161103 Warrant which the existing W161103 Warrantholders hold, on a best efforts basis.

The W161103 Warrants were issued in November 2013 and are expiring on 3 November 2016 at 5.00 pm. The Company will in due course make the relevant announcement regarding the expiry of the W161103 Warrants and notify holders of these warrants of the same.

- 7.3. The Company will be entering into a placement agreement (the “**Placement Agreement**”) with the Placement Agent for the placing of the Placement Warrants Issue.
- 7.4. The Company will be seeking specific approval from the Shareholders at an extraordinary general meeting of the Company (the “**EGM**”) to be convened to approve the Placement Warrants Issue. A circular setting out, amongst other things, the details of, and other relevant information pertaining to the Placement Warrants Issue (the “**Circular**”), together with the notice of EGM, will be despatched to the Shareholders in due course.

### **8. PRINCIPAL TERMS OF THE PLACEMENT WARRANTS ISSUE**

- 8.1. **Issue Size.** The Company proposes to issue up to 1,000,000,000 Placement Warrants. Assuming all the Placement Warrants are exercised, 1,000,000,000 Placement Warrant Shares will be issued, and the 1,000,000,000 Placement Warrant Shares represent approximately 7.69% of the Company’s issued and paid up share capital of 13,010,308,855 ordinary shares as at the date of this announcement, and 7.14% of the enlarged issued share capital of the Company.
- 8.2. **Placement Warrant Issue Price.** 0.20 cents per Placement Warrant.
- 8.3. **Placement Warrant Exercise Price.** The Placement Warrant Exercise Price of 0.20 cents for each Placement Warrant Share represents a discount of 75.0% to the volume weighted average price of 0.80 cents for trades done on the SGX-ST on 30 September 2016, which is the full Market Day of this announcement. Accordingly, pursuant to Rule 811(2) of the Catalist Rules, Shareholders’ approval will be sought at the EGM.
- 8.4. **Form and Subscription Rights of the Placement Warrants.** Up to 1,000,000,000 Placement Warrants will be issued in registered form and will be subject to the terms and conditions of the Placement Warrants to be set out in the Placement Warrants Deed Poll.

Each Placement Warrant will carry the right to subscribe for one (1) Placement Warrant Share at the Placement Warrant Exercise Price of 0.20 cents for each Placement Warrant Share at any time during the period commencing on and including the date of the issue of the Placement Warrants and expiring at 5:00 pm on the date immediately preceding the fifth (5th) anniversary of the date of the issue of the Placement Warrants (“**Placement Warrants Exercise Period**”), unless such date is a date on which the Register of Members is closed or is not a Market Day, in which case the Placement Warrants Exercise Period shall end on the date prior to the closure of the Register of Members of the Company or the immediate preceding Market Day, as the case may be, but excluding such period(s) during which the Register of Placement Warrantholders may be closed pursuant to the terms and conditions of the Placement Warrants as set out in the Placement Warrants Deed Poll. The Placement Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.

- 8.5. Issue and Trading of the Placement Warrants.** The Placement Warrants will be issued in registered form and will be listed and traded separately on Catalist under the book-entry (scripless) settlement system, upon the listing and quotation of the Placement Warrants on Catalist, subject to, amongst others, there being an adequate spread of holdings of the Placement Warrants to provide for an orderly market in the trading of the Placement Warrants.

***It is anticipated that the Placement Warrants will be issued and allotted, as well as listed and quoted on the Catalist at the same time as the Rights Warrants and both the Placement Warrants and the Rights Warrants shall rank pari passu in respect of the existing issued warrants of the Company.***

***The terms and conditions of the Placement Warrants as constituted by the Placement Warrants Deed Poll will be the same as the terms and conditions of the Rights Warrants as constituted by the Rights Warrants Deed Poll.***

- 8.6. Status of the Placement Warrant Shares.** The Placement Warrant Shares allotted and issued upon the exercise of the Placement Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which is on or after the relevant date of exercise of the Placement Warrants and shall rank *pari passu* in all respect with the then existing issued Shares.

For the purpose herein, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

- 8.7. Adjustments.** The Placement Warrants Exercise Price and/or the number of Placement Warrants to be held and/or the number of Placement Warrants by each Placement Warrantholder will, after their issue, be subject to adjustments under certain circumstances to be set out in the Placement Warrants Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. Any such adjustments shall be announced by the Company via an announcement on SGXNET in compliance with the Catalist Rules.

- 8.8. Winding Up.** Where there is a members’ voluntary winding-up of the Company, each Placement Warrantholder may elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Placement Warrants and had on such date been the holders of the Placement Warrant Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice of each Placement Warrantholder in accordance with the terms and conditions to be set out in the Placement Warrant Deed Poll of the passing of any such resolution.

- 8.9. Notice of Expiry.** The Company shall, not later than one (1) month before the expiry of the Placement Warrants Exercise Period (the “**Placement Warrants Expiry Date**”), announce the expiry of the Placement Warrants Exercise Period on SGXNET. In addition, the Company shall not later than one (1) month before the Placement Warrants Expiry Date, take reasonable steps to notify the Placement Warranholders in writing of the Placement Warrants Expiry Date, and such notice shall be delivered by post to the registered address of the Placement Warranholder.
- 8.10. Alterations to Terms.** No material alteration to the terms of the Placement Warrants after the issue thereof to the advantage of the Placement Warranholder shall be made, unless the alterations are made pursuant to the terms and conditions of the Placement Warrants as set out in the Placement Warrants Deed Poll or the prior approval of the Shareholders in a general meeting has been sought.
- 8.11. Governing Law.** Laws of the Republic of Singapore.

## **9. CONDITIONS PRECEDENT**

- 9.1.** Completion of the Placement Warrants Issue is conditional upon, *inter alia*:
- (a) the approval of the Directors and Shareholders being obtained for the Placement Warrants Issue;
  - (b) the execution of the Placement Warrants Deed Poll;
  - (c) the receipt of the listing and quotation notice from the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Placement Warrants under the Placement Warrants Issue) for the listing and quotation of the Placement Warrants and the Placement Warrant Shares on Catalist; and
  - (d) the lodgement of the OIS, together with all other necessary accompanying documents, in connection with the Placement Warrants Issue, with the SGX-ST, acting as agent on behalf of the Authority.

The Company will be making an application to the SGX-ST through its Sponsor for the permission to deal in and for the listing and quotation of the Placement Warrants and the Placement Warrant Shares on Catalist.

## **10. RULE 812(1) RESTRICTED PLACEE(S)**

- 10.1.** The Placement Warrants Issue will not be offered to a person who is a Director or substantial shareholder or any other person in the categories set out in Rule 812(1) of the Catalist Rules to subscribe for any of the Placement Warrants, unless approved by the SGX-ST or specific Shareholders’ approval for such subscription is obtained at the EGM.

Where there are W161103 Warranholders who are subscribing for the Placement Warrants and fall under the categories set out in Rule 812(1) of the Catalist Rules, specific approval of Shareholders will be sought at the EGM.

## **11. FINANCIAL EFFECTS OF THE PLACEMENT WARRANTS ISSUE**

The financial effects of the Placement Warrants Issue set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Company following the Placement Warrants Issue. The table below sets out

the financial effects of the Placement Warrant Issue based on the following bases and assumptions:

- (a) the audited consolidated financial statements of the Group for the full financial year ended 31 December 2015 ("**FY 2015**");
- (b) the financial impact on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Placement Warrants Issue was completed on 31 December 2015; and
- (c) the financial impact on the consolidated earnings per Share ("**EPS**") is computed based on the assumption that the Placement Warrants Issue was completed on 1 January 2015.

|   | <b>Before completion of the Placement Warrants Issue</b> | <b>After completion of the Placement Warrants Issue</b> | <b>After completion of the Placement Warrants Issue and assuming full exercise of the Placement Warrants</b> |
|---|--|---|--|
| Issued and paid-up share capital (US\$'000) | 270,718  | 270,718   | 273,609  |
| No. of Shares ('000)                        | 12,838,434   | 12,838,434  | 13,838,434   |
| NTA (US\$'000)                              | 78,610   | 79,954 <sup>(1)</sup>                                   | 81,368 <sup>(1)</sup>  |
| NTA per Share (US\$ cents)                  | 0.61   | 0.62  | 0.59   |
| Basic EPS per Share (US\$ cents)            | 0.08   | 0.08  | 0.07   |
| Weighted average number of Shares ('000)    | 10,608,000   | 10,608,000  | 11,608,000   |

- (1) The proceeds from the Placement Warrants Issue and the exercise of the Placement Warrants has been converted from S\$ to US\$ based on an exchange rate of US\$1.00:S\$1.41.

## **(C) GENERAL INFORMATION**

### **12. THE CIRCULAR AND OFFER INFORMATION STATEMENT**

- 12.1. As the Placement Warrants Issue is subject to specific approval of Shareholders at the EGM to be convened, the Circular containing further information on the Placement Warrants Issue, together with the Notice of EGM, will be despatched to Shareholders in due course.

**Please note that should the resolution for the Placement Warrants Issue not be passed at the EGM, the Rights Issue will still proceed.**

- 12.2. The final terms and conditions of the Placement Warrants Issue and the Rights Issue, together with copies of the application form for the Rights Warrants, the application form for the Excess Rights Warrants or the provisional allotment letter, as the case may be, will be contained in the OIS which will be lodged with the SGX-ST, acting as agent on behalf of the Authority, and despatched to Shareholders in due course following the EGM.

**13. ADJUSTMENTS TO THE OUTSTANDING REDEEMABLE EXCHANGEABLE PREFERENCE SHARES, OUTSTANDING CAPITAL SECURITIES AND OTHER CONVERTIBLES**

As a result of the Rights Issue, adjustments may be made to the number and/or exercise price or exchange price or conversion price of the Outstanding Redeemable Exchangeable Preference Shares, the Outstanding Capital Securities and other convertibles of the Company. The Company will in due course make the relevant announcements and notify holders of these convertibles of such adjustments.

**14. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors or substantial Shareholders has any interests, direct or indirect, in the Placement Warrants Issue and the Rights Issue, save for their interests arising by way of their directorships and/or shareholdings, as the case may be, in the Company.

**15. 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 Placement Warrants Issue and the Rights Issue. 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.

**16. FURTHER ANNOUNCEMENTS**

The Company will continue to keep Shareholders updated and release announcements relating to the Placement Warrants Issue and the Rights Issue (including any material developments and progress made) as may be appropriate from time to time.

**17. CAUTIONARY STATEMENT**

The Directors would like to advise the Shareholders that the Placement Warrants Issue and the Rights Issue are subject to certain conditions being fulfilled and there is no assurance that the Placement Warrants Issue and the Rights Issue would be completed. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

By Order of the Board  
**CHARISMA ENERGY SERVICES LIMITED**

Lee Tiong Hock  
Company Secretary  
30 September 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.*