

CIRCULAR DATED 6 APRIL 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Charisma Energy Services Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares (as defined herein) represented by physical share certificate(s), you should at once hand this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, 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 Circular.

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

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.



CHARISMA ENERGY SERVICES LIMITED
(formerly known as YHM Group Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199706776D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

- (1) THE PROPOSED AMENDMENT TO THE EXERCISE PRICE OF THE CHARISMA ENERGY EMPLOYEE SHARE OPTION SCHEME 2013; AND**
- (2) THE PROPOSED MODIFICATION TO, AND RENEWAL OF, THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS**

*Independent Financial Adviser to the Non-Interested Directors
in relation to the Shareholders’ Mandate for Interested Person Transactions*



SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

Important Dates and Times:

- Last date and time for lodgement of Proxy Form : 19 April 2015 at 10.30 a.m.
- Date and time of Extraordinary General Meeting : 21 April 2015 at 10.30 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company for the financial year ended 31 December 2014 to be held at 10.00 a.m. on the same day and at the same place)
- Place of Extraordinary General Meeting : Ballroom 3, The Singapore Island Country Club, 180 Island Club Road, Singapore 578774

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

| | | |
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| <i>“2014 IPT Mandate”</i> | : | Has the meaning ascribed to it in Section 3.1 of this Circular |
| <i>“2015 IPT Mandate”</i> | : | Has the meaning ascribed to it in Section 3.4 of this Circular |
| <i>“Assets”</i> | : | Has the meaning ascribed to it in Appendix 2 of this Circular |
| <i>“Associate”</i> | : | (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means (i) his immediate family, (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (iii) any company in which he and his immediately family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more |
| <i>“Board” or “Directors”</i> | : | The board of Directors of the Company as at the date of this Circular |
| <i>“Catalist”</i> | : | The sponsor-supervised listing platform of the SGX-ST |
| <i>“Catalist Rules”</i> | : | The rules constituted in Section B of the Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time |
| <i>“Category 1 Recurrent IPT”</i> | : | Has the meaning ascribed to it in Appendix 2 of this Circular |
| <i>“Category 2 Recurrent IPT”</i> | : | Has the meaning ascribed to it in Appendix 2 of this Circular |
| <i>“CDP”</i> | : | The Central Depository (Pte) Limited |
| <i>“Charisma IPT Group”</i> | : | Has the meaning ascribed to it in Section 3.3 of this Circular |
| <i>“Circular”</i> | : | This circular to Shareholders dated 6 April 2015 |
| <i>“Companies Act”</i> | : | Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time |

DEFINITIONS

| | | |
|---------------------------------------|---|--|
| <i>“Company”</i> | : | Charisma Energy Services Limited |
| <i>“Controlling Shareholder”</i> | : | A person who:– (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The Exchange may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company |
| <i>“EGM”</i> | : | The extraordinary general meeting of the Company to be held on 21 April 2015 at Ballroom 3, The Singapore Island Country Club, 180 Island Club Road, Singapore 578774 at 10.30 a.m., notice of which is set out on pages 45 to 46 of this Circular |
| <i>“Exercise Price”</i> | : | Has the meaning ascribed to it in Section 2 of Appendix 1 to this Circular |
| <i>“Ezion”</i> | : | Ezion Holdings Limited |
| <i>“Ezion Group”</i> | : | Ezion and its subsidiaries |
| <i>“Group”</i> | : | The Company and its subsidiaries |
| <i>“Group Employees”</i> | : | Any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) |
| <i>“Group Executive Director”</i> | : | A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function |
| <i>“Group Non-Executive Director”</i> | : | A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director |
| <i>“IFA” or “SAC Capital”</i> | : | SAC Capital Private Limited, being the independent financial adviser to the Non-Interested Directors in relation to the 2015 IPT Mandate |
| <i>“IFA Letter”</i> | : | The letter dated 6 April 2015 from the IFA to the Non-Interested Directors as set out in Appendix 3 of this Circular |
| <i>“Interested Person”</i> | : | (a) a Director, chief executive officer, or Controlling Shareholder; or (b) an Associate of any such Director, chief executive officer, or Controlling Shareholder |

DEFINITIONS

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|--|---|--|
| <i>“Interested Person Transactions”</i> | : | Transactions proposed to be entered into between the Group and the Interested Person |
| <i>“Latest Practicable Date”</i> | : | 27 March 2015, being the latest practicable date prior to the printing of this Circular |
| <i>“Listing Manual”</i> | : | The listing manual of the SGX-ST, as amended, supplemented or modified from time to time |
| <i>“Market Day”</i> | : | Has the meaning ascribed to it in Section 2 of Appendix 1 to this Circular |
| <i>“Non-Interested Directors”</i> | : | Has the meaning ascribed to it in Section 3.8 of this Circular |
| <i>“Notice of EGM”</i> | : | The notice of the EGM as set out on pages 45 to 46 of this Circular |
| <i>“Option”</i> | : | The right to subscribe for Shares granted to a Participant pursuant to the Scheme Rules, and “Options” shall be construed accordingly |
| <i>“Participant”</i> | : | Has the meaning ascribed to it in Section 2 of Appendix 1 to this Circular |
| <i>“Proposed ESOS Amendment”</i> | : | Proposed amendment to the exercise price of the Scheme |
| <i>“Proposed Modification to the 2014 IPT Mandate”</i> | : | Has the meaning ascribed to it in Section 3.2 of this Circular |
| <i>“Proposed Renewal of IPT Mandate”</i> | : | Proposed renewal of the 2014 IPT Mandate, as modified |
| <i>“Provision of Services and Personnel”</i> | : | Has the meaning ascribed to it in Appendix 2 to this Circular |
| <i>“Recurrent IPTs”</i> | : | Has the meaning ascribed to it in Appendix 2 to this Circular |
| <i>“Remuneration Committee”</i> | : | The remuneration committee comprising Mr. Lim Chen Yang, Mr. Cheng Yee Seng and Mr. Simon deVilliers Rudolph |
| <i>“Register of Members”</i> | : | Register of members of the Company |
| <i>“Scheme”</i> | : | The Company Employee Share Option Scheme which was approved by Shareholders at an extraordinary general meeting of the Company held on 24 April 2013 |

DEFINITIONS

| | | |
|---------------------------|---|--|
| “Scheme Rules” | : | The rules of the Scheme |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “Shareholders” | : | Registered holders of Shares except that where CDP is registered holder, the term “Shareholders” shall, in relation to such Shares, mean Depositors who have Shares entered against their names in the Depository Register |
| “Sponsor” | : | PrimePartners Corporate Finance Pte. Ltd. |
| “Substantial Shareholder” | : | A person (including a corporation) who holds directly and/or indirectly 5% or more of the total issued share capital of the Company |
| “Takeover Code” | : | Singapore Code on Take-overs and Mergers |
| “Third-party Quotations” | : | Has the meaning ascribed to it in Appendix 2 to this Circular |
| “S\$” and “cents” | : | Singapore dollars and cents respectively |
| “%” or “per cent.” | : | Per centum or percentage |

The terms “*Depositor*”, “*Depository Agent*” and “*Depository Register*” shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

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

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

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

LETTER TO SHAREHOLDERS

CHARISMA ENERGY SERVICES LIMITED

(formerly known as YHM Group Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 197706776D)

Directors:

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

Registered Office:

15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Date: 6 April 2015

To: The Shareholders of Charisma Energy Services Limited

Dear Sir/Madam,

- (1) **THE PROPOSED AMENDMENT TO THE EXERCISE PRICE OF THE CHARISMA ENERGY EMPLOYEE SHARE OPTION SCHEME 2013; AND**
- (2) **THE PROPOSED MODIFICATION TO, AND RENEWAL OF, THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS**

1. INTRODUCTION

The Board is convening the EGM to be held on 21 April 2015 to seek Shareholders' approval for the following matters:

- (i) The proposed amendment to the exercise price of the Charisma Energy Employee Share Option Scheme 2013 ("**Scheme**") ("**Proposed ESOS Amendment**"); and
- (ii) The Proposed Modification to the 2014 IPT Mandate (as defined below), and the Proposed Renewal of IPT Mandate (as defined below).

This Circular sets out information relating to, and the reasons for, the Proposed ESOS Amendment, the Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate.

2. THE PROPOSED AMENDMENT TO THE EXERCISE PRICE OF THE CHARISMA ENERGY EMPLOYEE SHARE OPTION SCHEME

2.1 The Scheme

On 24 April 2013, shareholders of Charisma Energy Services Limited (then known as YHM Group Limited) approved of the Charisma Energy Employee Share Option Scheme 2013 (formerly known as the YHM Employee Share Option Scheme).

LETTER TO SHAREHOLDERS

The Scheme provides an opportunity for the Group Employees (including Executive Directors) and Non-Executive Directors who have contributed significantly to the growth and performance of the Group and who satisfy the eligibility criteria in the Scheme to participate in the equity of the Company.

As at the Latest Practicable Date, no Options have been granted under the Scheme.

2.2 Proposed Amendment to the Exercise Price of the Scheme

Rule 9 of the Rules of the Charisma Energy Employee Share Option Scheme (“**Scheme Rules**”) states that the Exercise Price (as defined in Appendix 1) for each share in respect of which an Option (as defined in Appendix 1) shall be determined by the Committee (as defined in Appendix 1) at its absolute discretion, and fixed by the Committee at:

- (a) the Market Price (as defined below); or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed twenty per cent (20%) of the Market Price (or such other percentage or amount prescribed or permitted by the SGX-ST) and approved by the Shareholders at a general meeting in a separate resolution in respect of that Option (as defined in Appendix 1).

Rule 2 of the Scheme Rules currently defines “Market Price” as follows

“Market Price” : The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive Market Days (as defined in Appendix 1) immediately preceding the relevant Date of Grant (as defined in Appendix 1), rounded up to the nearest whole cent in the event of fractional prices.

It is now proposed that the definition of the term “Market Price” be amended as follows (the “**Proposed Amendment**”) (Proposed Amendment underlined and in bold):

“Market Price” : The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive Market Days (as defined in Appendix 1) immediately preceding the relevant Date of Grant (as defined in Appendix 1), rounded to the nearest one decimal place (in cents) in the event of fractional prices.

Shareholders should note that the Proposed Amendment will be a prospective one and will take immediate effect from the date of approval by the Shareholders at the EGM of the Company.

2.3 Rationale for the Proposed Amendment to the Scheme

If approved, the Proposed Amendment will allow for a more accurate determination of the “Market Price”, and in turn, a more precise calculation of the Exercise Price.

LETTER TO SHAREHOLDERS

As an example, if the “Market Price” is determined to be 2.56 cents, the current approach will be to round it up to the nearest whole cent, i.e. 3 cents. By contrast, the new approach will be to round it to the nearest one decimal place (in cents), i.e. 2.6 cents. Please see Figure 1 below for an illustration of how this works.

Figure 1.

| | |
|---|--------------------------------------|
| | Market price is valued at 2.56 cents |
| Current approach (round up to nearest whole cent) | 3 cents |
| Under Proposed Amendment (round to the nearest one decimal place (in cents)) | 2.6 cents |

The Remuneration Committee, whose primary function is to assist the Directors in reviewing remuneration matters, is the designated Committee responsible for administering the Scheme. As at the Latest Practicable Date, the members of the Remuneration Committee comprise Mr. Lim Chen Yang, Mr. Cheng Yee Seng and Mr. Simon deVilliers Rudolph. The Remuneration Committee is of the opinion that the Proposed ESOS Amendment is in the best interests of the Company and is not prejudicial to the interests of its minority Shareholders.

3. THE PROPOSED MODIFICATION TO, AND RENEWAL OF, THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 The Existing Shareholders’ Mandate

At the extraordinary general meeting of the Company held on 21 April 2014, approval of Shareholders was obtained for a mandate to enable the Company, its subsidiaries and associated companies or any of them to enter into certain recurring interested persons transactions (the “**2014 IPT Mandate**”). Particulars of the 2014 IPT Mandate are set out in the Company’s circular to Shareholders dated 4 April 2014 (the “**2014 Circular**”). The 2014 IPT Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company (“**AGM**”), being the AGM which is scheduled to be held on 21 April 2015.

3.2 Proposed Modification to the 2014 IPT Mandate

In conjunction with the renewal of the 2014 IPT Mandate, the Company is proposing a certain modification to the 2014 IPT Mandate, as described below. For convenience, capitalised terms used below (if not defined herein) have the same meanings as set out in Appendix 2 of this Circular. Transactions between the Charisma IPT Group (as defined below) and the Ezion Group which are currently covered by the 2014 IPT Mandate encompass:

- (a) the provision of technical advisory and technical management services as well as personnel for marine and offshore operations (the “**Provision of Services and Personnel**”) by the Ezion Group;
- (b) the charter of offshore support vessels, self-propelled lift-boats, service rigs, and other marine and offshore assets (the “**Assets**”) from the Ezion Group;
- (c) the provision of Assets for charter to the Ezion Group;
- (d) the Charisma IPT Group acting as shipbroker for the Ezion Group; and
- (e) the Ezion Group acting as shipbroker for the Charisma IPT Group.

LETTER TO SHAREHOLDERS

Following a review by the Company of the continued relevance of the 2014 IPT Mandate to transactions with the Ezion Group, it is proposed that the list of interested person transactions covered under the 2014 IPT Mandate be expanded to include the Company's payment of management fees to the Ezion Group for the provision of office space, human resource and information technology services (the "**Provision of Support Service**") by the Ezion Group to the Company (the "**Proposed Modification to the 2014 IPT Mandate**").

3.3 Rationale for the Proposed Modification to the 2014 IPT Mandate

The Company focuses on onshore and offshore oil and gas and marine related businesses that are complementary to the existing business of the Ezion Group. The Company pays the Ezion Group a management fee for the Provision of Support Service by the Ezion Group which will enable the Company to benefit from the Ezion Group's expertise and enable the Company to carry on its business and corporate functions seamlessly and effectively (the "**Ezion Management Fee**"). The Company therefore derives synergy and benefits from being an associated member of the Ezion Group.

The Proposed Modification to the 2014 IPT Mandate will enable:

- (a) the Company;
- (b) subsidiaries of the Company (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company, or the Company and its interested person(s), has or have control,

(together, the "**Charisma IPT Group**"), or any of them, in the ordinary course of their businesses, to pay to the Ezion Group the Ezion Management Fee, provided that such payment is made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

If approved, the Proposed Modification to the 2014 IPT Mandate will:

- (i) facilitate the payment of the Ezion Management Fee to the Ezion Group in the ordinary course of the Charisma IPT Group's businesses; and
- (ii) eliminate the need for the Company to convene separate general meetings on each occasion, pursuant to the financial limits imposed under Chapter 9 of the Catalist Rules to seek Shareholders' approval as and when such payment of the Ezion Management Fee to the Ezion Group arises, thereby:
 - (A) reducing substantially the administrative time, inconvenience and costs associated with the convening of such meetings;
 - (B) allowing manpower resources and time to be channelled towards attaining corporate objectives; and
 - (C) enabling the Charisma IPT Group to maintain its overall competitiveness and not be placed at a disadvantage to other parties that do not require shareholders' approval to be obtained for entering into such transactions.

As at the Latest Practicable Date, the Ezion Management Fee that has been paid to Ezion is less than S\$100,000 and hence is non-discloseable under Chapter 9 of the Catalist Rules.

3.4 Renewal of the IPT Mandate

The 2014 IPT Mandate is proposed to be modified to reflect the changes referred to in Section 3.2 above. In addition, the Directors propose that the 2014 IPT Mandate, as modified, be renewed (“**Proposed Renewal of IPT Mandate**”) at the EGM (“**2015 IPT Mandate**”). No other modifications are proposed to the 2014 IPT Mandate and all other terms of the 2014 IPT Mandate sought to be renewed remain unchanged.

3.5 Further Information

Details of the 2015 IPT Mandate, as proposed to be amended from the 2014 IPT Mandate, including the rationale for the 2015 IPT Mandate, the scope of the 2015 IPT Mandate, the benefits to the Company, the class of the Interested Person, the categories of Interested Person Transactions and the review procedures for Interested Person Transactions are set out in Appendix 2 to this Circular. Where there are additions, the proposed amendments are underlined for Shareholders’ ease of reference. Where there are deletions, the proposed amendments are marked with a strikethrough for Shareholders’ ease of reference.

3.6 Independent Financial Adviser’s Opinion

Pursuant to Chapter 9 of the Catalist Rules, SAC Capital has been appointed as the independent financial adviser to the Non-Interested Directors to opine on whether the review procedures as set out in Appendix 2 of this Circular, if adhered to, are sufficient to ensure that the Recurrent IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Subject to the qualifications and assumptions made in the IFA Letter, SAC Capital is of the opinion that the review procedures as set out in Appendix 2 of this Circular for determining the transaction prices of the Recurrent IPTs, if adhered to, are sufficient to ensure that the Recurrent IPTs will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced in Appendix 3 to this Circular. Shareholders are advised to read the IFA Letter carefully and consider it in the context of this Circular.

3.7 Statement of the Audit Committee

Having considered, *inter alia*, the terms, the rationale and benefits of the 2015 IPT Mandate, as proposed to be renewed and amended and set out in Appendix 2 to this Circular, the Audit Committee is satisfied that the terms and review procedures proposed by the Company as set out in Appendix 2 to this Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures are inadequate or inappropriate to ensure that the Interested Person Transactions will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Catalist Rules, it will, in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Ezion Group.

3.8 Non-Interested Directors' Recommendation

The Directors who are considered independent for the purpose of the 2015 IPT Mandate are Mr. Tan Ser Ko, Mr. Wong Bheet Huan, Mr. Simon de Villiers Rudolph, Mr. Cheng Yee Seng and Mr. Lim Chen Yang (together, the “**Non-Interested Directors**”). The Non-Interested Directors are of the opinion that the entry into the Interested Person Transactions between the Charisma IPT Group and Ezion Group in the ordinary course of business will enhance the efficiency of the Charisma IPT Group and is in the best interests of the Company. For the reasons set out in Appendix 2 of this Circular under “Rationale and Benefits of the Proposed 2015 IPT Mandate”, and taking into account the opinion of SAC Capital as set out in paragraph 3.6 above, the Non-Interested Directors recommend that Shareholders vote in favour of Resolution 2 at the EGM, being the ordinary resolution relating to the proposed modification to, and renewal of, the 2014 IPT Mandate.

Mr. Chew Thiam Keng who is the Chief Executive Officer and an Executive Director of Ezion, has abstained from making any recommendation in respect of the 2015 IPT Mandate.

3.9 Voting Restrictions

In accordance with the requirements of Chapter 9 of the Catalist Rules, Ezion (being the Interested Person as described in Appendix 2 of this Circular) and its Associates will abstain from voting on Resolution 2 being the ordinary resolution relating to the modification to, and renewal of, the 2014 IPT Mandate, in respect of the Shares, if any, held by them respectively. In addition, Ezion and its Associates will decline to accept appointment as proxy for any Shareholder (being one who is not subject to the foregoing voting restrictions) to vote in respect of Resolution 2 at the EGM unless the Shareholder concerned has given specific instructions in his Proxy Form as to the manner in which his vote is to be cast in respect of Resolution 2 at the EGM. Ezion has undertaken to ensure that its associates will abstain from voting on Resolution 2 being the ordinary resolution relating to the modification to, and renewal of, the 2014 IPT Mandate, in respect of the Shares, if any, held by them, and that its Associates will decline to accept appointment as proxy for any Shareholder (being one who is not subject to the foregoing voting restrictions) to vote in respect of Resolution 2 at the EGM unless the Shareholder concerned has given specific instructions in his Proxy Form as to the manner in which his vote is to be cast in respect of Resolution 2 at the EGM.

3.10 Consent of the IFA

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

3.11 Disclosure

Pursuant to Chapter 9 of the Catalist Rules, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions entered into under the 2015 IPT Mandate during the financial year under review, and in the annual reports of subsequent financial years during which the 2015 IPT Mandate is in force. In addition, the Company will announce the aggregate value of the Interested Person Transactions entered into pursuant to the 2015 IPT Mandate for the financial periods which it is required to report pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Catalist Rules.

LETTER TO SHAREHOLDERS

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders in the Shares, based on the register of Directors' interests in Shares and Substantial Shareholders' interest in Shares respectively, are as follows:-

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---|------------------|-------|------------------|---|------------------|-------|
| | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Directors | | | | | | |
| Mr. Chew Thiam Keng | - | - | - | - | - | - |
| Mr. Tan Ser Ko | - | - | - | - | - | - |
| Mr. Wong Bheet Huan | 30,800 | 0.00 | - | - | 30,800 | 0.00 |
| Mr. Simon de Villiers Rudolph | - | - | - | - | - | - |
| Mr. Cheng Yee Seng | - | - | - | - | - | - |
| Mr. Lim Chen Yang | - | - | - | - | - | - |
| | | | | | | |
| Substantial Shareholders (other than Director) | | | | | | |
| Ezion Holdings Limited | 5,091,932,000 | 49.41 | - | - | 5,091,932,000 | 49.41 |

As Mr Chew Thiam Keng is the Chief Executive Officer and an Executive Director of Ezion, he has a direct interest in the Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate.

Save as disclosed in this Circular and other than through their respective shareholdings in the Company, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed ESOS Amendment, Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 47 to 48 of this Circular, will be held on 21 April 2015, at Ballroom 3, The Singapore Island Country Club, 180 Island Club Road, Singapore 578774 at 10.30 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's office at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316, not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.

A proxy need not be a Shareholder of the Company.

7. DIRECTORS' RECOMMENDATIONS

7.1 Proposed ESOS Amendment

As all the Directors will be eligible to participate in the Scheme, they are therefore interested in the Proposed ESOS Amendment, and will not be in a position to make any recommendation in respect of Ordinary Resolution 1 as set out in the Notice of EGM.

7.2 Proposed Modification to the 2014 IPT Mandate and Proposed Renewal of IPT Mandate

The Non-Interested Directors, having considered, inter alia, the rationale for the Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate, are of the opinion that the Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate are in the best interests of the Company and not prejudicial to the interests of minority Shareholders. Accordingly the Non-Interested Directors recommend that Shareholders vote in favour of the Ordinary Resolution 2 relating to the Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate to be proposed at the EGM as set out in the Notice of EGM.

As Mr Chew Thiam Keng is the Chief Executive Officer and an Executive Director of Ezion (who is an Interested Person), he is therefore interested in the Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate and will not be in a position to make any recommendation in respect of Ordinary Resolution 2 as set out in the Notice of EGM.

8. ABSTENTION FROM VOTING

8.1 Proposed ESOS Amendment

Shareholders who are entitled to participate in the Scheme, including eligible Directors who are also Shareholders and their Associates, have undertaken to abstain from voting in respect of Ordinary Resolution 1 as set out in the Notice of EGM relating to the Proposed ESOS Amendment. The aforesaid Shareholders and their Associates will also not accept nominations to act as proxy in respect of Ordinary Resolution 1 unless specific instructions have been given in the Proxy Form on how the votes are to be cast in respect of Ordinary Resolution 1.

8.2 Proposed Modification to the 2014 IPT Mandate and Proposed Renewal of IPT Mandate

Ezion and its Associates have undertaken to abstain from voting in respect of Ordinary Resolution 2 as set out in the Notice of EGM relating to the Proposed Modification to the 2014 IPT Mandate and the Proposed Renewal of IPT Mandate. Ezion and its Associates will also not accept nominations to act as proxy in respect of Ordinary Resolution 2, unless specific instructions have been given in the Proxy Form on how the votes are to be cast in respect of Ordinary Resolution 2.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed ESOS Amendment, the Proposed Modification to the 2014 IPT Mandate, the Proposed Renewal of IPT Mandate, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

10. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316, Singapore 089316 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the Scheme Rules;
- (iii) the audited consolidated financial statements of the Company and of the Group for the financial year ended 31 December 2014;
- (iv) the IFA Letter; and
- (v) the written consent letter of the IFA as mentioned in Section 3.10 above.

Yours faithfully

For and on behalf of the Board of Directors of
Charisma Energy Services Limited

Tan Ser Ko

Executive Director and Chief Executive Officer

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THE PROPOSED AMENDMENTS TO THE RULES OF THE CHARISMA ENERGY SERVICES LIMITED (FORMERLY KNOWN AS YHM GROUP LIMITED) EMPLOYEE SHARE OPTION SCHEME

RULES OF THE YHM CHARISMA ENERGY EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This employee share option scheme shall be called the “YHM **Charisma Energy** Employee Share Option Scheme”.

2. DEFINITIONS

In this Option Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

- (A) **“Articles”** : The Articles of Association of the Company, as amended, supplemented or modified from time to time
- “Associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:-
- (i) his Immediate family;
 - (ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company for the time being
- “Board ”** : The board of Directors of the Company for the time being
- “CDP”** : The Central Depository (Pte) Limited
- “Committee”** : A committee comprising Directors as may be duly authorised, appointed and nominated by the Board to administer the Scheme

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| “Company” | : | YHM Group Charisma Energy Services Limited |
| “Companies Act” | : | The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time |
| “Control” | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company |
| “Controlling Shareholder” | : | A person who holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) in the Company ((subject to the SGX-ST determining that such a person is not a controlling shareholder) or a person who in fact exercises control over the Company |
| “CPF” | : | Central Provident Fund |
| “Date of Grant” | : | In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7 |
| “Director(s)” | : | The director(s) of the Company |
| “Exercise Price” | : | The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10 |
| “Financial Year” | : | Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company |
| “Grantee” | : | The person to whom an offer of an Option is made |
| “Group” | : | The Company and its subsidiaries, collectively |
| “Group Employee” | : | Any confirmed employee of the Group (including any Group Executive Director and Group Non-Executive Director) selected by the Committee to participate in the Scheme in accordance with the rules thereof |
| “Group Executive Director” | : | A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function |
| “Group Non-Executive Director” | : | A director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director |

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| “Listing Manual” | : | The Listing Manual (Section B: Rules of Catalyst) of the SGX-ST or the Listing Manual of the SGX-ST (as the case may be), as the same may be amended, modified or supplemented from time to time |
| “Listing Rules” | : | The rules constituted in the Listing Manual |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “Market Price” | : | The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive Market Days immediately preceding the relevant Date of Grant, rounded up to the nearest whole cent in the event of fractional prices <u>rounded to the nearest one decimal place (in cents) in the event of fractional prices</u> |
| “Memorandum” | : | Memorandum of association of the Company, as amended, supplemented or modified from time to time |
| “Option” | : | The right to subscribe for Shares granted pursuant to the rules of the Scheme |
| “Option Period” | : | The period for the exercise of an Option being:- (i) in the case of an Option granted with the Exercise Price set at the Market Price, a period commencing after the first (1st) anniversary of the Date of Grant of that Option and expiring on the tenth (10th) anniversary of such Date of Grant, subject as provided in Rules 11 and 15 and any other conditions as may be determined by the Committee from time to time; and (ii) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period commencing after the second (2nd) anniversary of the Date of Grant that Option and expiring on the tenth (10th) anniversary of such Date of Grant, subject as provided in Rules 11 and 15 and any other conditions as may be determined by the Committee |
| “Participant” | : | A person who is selected by the Committee to participate in the Scheme in accordance with the rules thereof |
| “Record Date” | : | The date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be) |
| “Rules” | : | The rules of the Scheme, as the same may be amended from time to time |
| “Scheme” | : | The YHM <u>Charisma Energy</u> Employee Share Option Scheme |

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| “SGX-ST” | : | The Singapore Exchange Securities Trading Limited |
| “Shareholders” | : | Shareholders of the Company from time to time |
| “Share(s)” | : | Ordinary share(s) in the capital of the Company |
| “Substantial Shareholder” | : | A Shareholder who has an interest in not less than 5% of the issued Shares |
| “S\$” and “cents” | : | Singapore dollars and cents, respectively |

- (B) The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them, respectively, by Section 130A of the Companies Act.
- (C) Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall include corporations.
- (D) Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Scheme shall, where applicable, have the same meaning assigned to it under the Companies Act.
- (E) Any reference in the Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

The objectives of the Scheme are as follows:

- (a) to motivate participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;
- (c) to instill loyalty and a stronger sense of identification by the participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
- (e) to reward employees for their contribution to the Group; and
- (f) to align the interests of the participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- (A) Subject to the absolute discretion of the Committee, the Group Employees shall be eligible to participate in the Scheme, provided that, as of the Date of Grant, such persons have attained the age of twenty-one (21) years, are not undischarged bankrupts, have not entered into any composition(s) with their respective creditors and must have been in the employment of the Group for at least twelve (12) months, or such shorter period as the Committee may determine.

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- (B) Controlling Shareholders and their Associates shall not be eligible to participate in the Scheme.
- (C) For the purposes of determining eligibility to participate in the Scheme, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- (D) There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other company within the Group.
- (E) Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 6, the number of Shares over which Options may be granted to a Grantee for subscription under the Scheme shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Grantee's rank, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Grantee and the prevailing market and economic conditions.

6. SIZE OF THE SCHEME

The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted under the Scheme; and
- (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force if any;
- (c) shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) on the day preceding that date.

7. OFFER DATE

- (A) The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that, for so long as the Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is released.
- (B) An offer to grant an Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Schedule 1, subject to such amendments as the Committee may determine from time to time.

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8. ACCEPTANCE OF OFFER

- (A) An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant by (a) completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Schedule 2 (the “**Acceptance Form**”), subject to such modifications as the Committee may from time to time determine accompanied by the payment of S\$1.00 as consideration (the “**Consideration**”) or such other amounts and such other documentation as the Committee may require; and (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- (B) The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.
- (C) If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period referred to in Rule 8(A), automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- (D) The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not comply strictly with the terms of the Scheme.
- (E) Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11(F) in the event of the death of such Grantee.
- (F) In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- (G) Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8(A) within the thirty (30) day period referred to therein; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

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9. EXERCISE PRICE

- (A) Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at:
- (a) the Market Price; or
 - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed twenty per cent. (20%) of the Market Price (or such other percentage or amount prescribed or permitted by the SGX-ST) and approved by the Shareholders at a general meeting in a separate resolution in respect of that Option.
- (B) In making any determination under Rule 9(A)(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:-
- (a) the performance of the Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service and individual performance of the eligible Grantee;
 - (c) the contribution of the eligible Grantee to the success and development of the Company and/or the Group; and
 - (d) the prevailing market and economic conditions.

10. VARIATION OF CAPITAL

- (A) If a variation in the issued share capital of the Company whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever), shall take place, then:
- (a) the Exercise Price in respect of the Shares comprised in any Option(s) to the extent unexercised;
 - (b) the class and/or number of Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto;
 - (c) the maximum entitlement in any one Financial Year; and/or
 - (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants;
- may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of the exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting as experts and not as arbitrators), that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.
- (B) Notwithstanding the provisions of Rule 10(A) above,
- (a) no such adjustment shall be made:

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- (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (ii) if as a result, such adjustment will result in the number of Shares comprised in an Option, together with new Shares to be issued or issuable under the Scheme, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; and
 - (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalization issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- (C) Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:
- (a) an issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;
 - (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by the Company on the SGX-ST, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
 - (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including directors or employees of the Company or any of its subsidiaries pursuant to purchase or option schemes approved by Shareholders in general meeting, including the Scheme;
 - (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
 - (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.
- (D) The restriction on the number of Shares to be offered to any Grantee under Rule 6 above shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- (E) Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year. Any adjustment shall take effect upon such written notification being given.

11. OPTION PERIOD

- (A) Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two full Market Days of any calendar month after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

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- (B) Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Participant on the last two full Market Days of any calendar month after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- (C) An Option shall, to the extent unexercised, immediately lapse and become null and void, and a Participant shall have no claim against the Company:
- (a) subject for Rules 11(D), 11(E) and 11(F), upon the Participant ceasing to be a Group Employee or a Director for any reason whatsoever; or
 - (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of termination for cause including but not limited to gross negligence, wilful misconduct, insubordination or incompetence on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11(C)(a), the Participant shall be deemed to have ceased being so employed as of the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its effective date. For the avoidance of doubt, no Option shall lapse pursuant to Rule 11(C)(a) in the event of any transfer of employment of a Participant within the Group or upon the cessation of employment of a Group Executive Director who shall continue to serve as a Group Non-Executive Director.

- (D) Where a Participant who is a Group Executive Director or Group Non-Executive Director (as a case may be) ceases to be a Director for any reason whatsoever, he shall, notwithstanding Rule 11 and Rule 12, be entitled to exercise in full all unexercised Options from the date he ceases to be a Director until the end of the relevant Option Period.
- (E) If a Participant ceases to be in the employment of the Group by reason of:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before that age with the consent of the Committee;
 - (e) the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or
 - (f) for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period, and upon the expiry of such period, the Option shall immediately lapse and become null and void.

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- (F) If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercisable by the duly appointed legal personal representatives of the Participant from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- (G) The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- (A) An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule 3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the Committee may require. All payment shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.
- (B) Subject to:-
 - (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
 - (b) compliance with the Rules and the Memorandum and Articles; the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by the Listing Manual) after the date of the exercise of the said Option in accordance with Rule 12(A), allot and issue the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to the Participant or, if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the securities account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.
- (C) The Company shall, if necessary, before the grant of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- (D) Shares which are all allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in his name or, if the Shares are listed and quoted on the SGX-ST, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant’s securities sub-account with a CDP Depository Agent.
- (E) Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Companies Act and the Memorandum and Articles (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank pari passu in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which is prior to the date such Option is exercised.

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- (F) Except as set out in Rule 12(B) and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- (G) The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS AND ALTERATIONS TO THE SCHEME

- (A) Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
 - (a) any modification or alteration which shall alter adversely the rights attached to any Option(s) granted prior to such modification or alteration and which in the opinion of the Committee, materially alter the rights attaching to any Option(s) granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three quarters (3/4) of the total number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options; and
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme (including but not limited to the matters set out in Rules 843 to 848 and Rules 852 to 853 of the Catalist Rules) shall be subject to the prior approval of Shareholders at a general meeting. For the purposes of Rule 13(A)(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.
- (B) Notwithstanding anything to the contrary contained in Rule 13(A), the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST if necessary) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- (C) Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

- (A) The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- (B) The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- (C) The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

APPENDIX 1

15. TAKE OVER AND WINDING UP OF THE COMPANY

- (A) In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11(A) and/or 11(B)) holding Options as yet unexercised shall, notwithstanding Rule 11 and 12 but subject to Rule 15(E), be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approval of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
 - (b) the date of the expiry of the Option Period relating thereto;

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offer or becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Participants until such specified date or the expiry of the respective Option Periods relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period. For the avoidance of doubt, the provisions of this Rule 15(A) shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

- (B) If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11(A) or 11(B)) shall notwithstanding Rule 11 but subject to Rule 15(E), be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the expiry of the relevant Option Period.
- (C) If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- (D) In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15(D)) and thereupon, each Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

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- (E) If in connection with the making of a general offer referred to in Rule 15(A) above or the scheme referred to in Rule 15(B) above or the winding up referred to in Rule 15(D) above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- (F) If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- (A) The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.
- (B) The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- (C) Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes and uncertainty as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under this Scheme).
- (D) As a safeguard against abuse, pursuant to the Listing Manual, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him.

17. NOTICES

- (A) Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- (B) Any notice or documents required to be given by the Company to a Participant or any correspondences to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

- (A) The Scheme or any Option shall not form part of any contract of employment between the Company or any subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- (B) The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any subsidiary directly or indirectly, or give rise to any cause of action at law or in equity against the Company or any subsidiary.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

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20. COSTS AND EXPENSES OF THE SCHEME

- (A) Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities subaccount with a CDP Depository Agent or CPF investment amount with a CDP agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- (B) Save for the taxes referred to in Rule 19 and such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages, (including any interest arising thereof), whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in allotting and issuing the Shares or in applying for or procuring the listing of and quotation for the Shares allotted pursuant to the exercise of any Option on the SGX-ST or, if applicable, any other stock exchanges on which the Shares are quoted or listed.

22. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

23. DISCLOSURES IN ANNUAL REPORTS

The Company shall, for so long as the Scheme continues in operation, make the following disclosure in its annual report:

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information required in the table below for the following Participants (which for avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
- (i) Participants who are Directors of the Company;
- (ii) Participants, other than those in (b)(i) and (ii) above, who receive 5% or more of the total number of Options available under the Scheme;

| Name of Participant | Options granted during the Financial Year under review (including terms) | Aggregate Options granted since commencement of Scheme to end of the Financial Year under review | Aggregate Options exercised since commencement of Scheme to end of the Financial Year under review | Aggregate Options outstanding as end of the Financial Year under review |
|---------------------|--|--|--|---|
|---------------------|--|--|--|---|

- (c) (i) the names of and number and terms of Options granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of Options

APPENDIX 1

available to all directors and employees of the parent company and its subsidiaries under the Scheme, during the Financial Year under review; and

- (ii) the aggregate number of Options granted to the directors and employees of the parent company and its subsidiaries for the Financial Year under review, and since the commencement of the Scheme to the end of the Financial Year under review;(d) the number and proportion of Options granted at a discount during the Financial Year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (e) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements, Provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

24. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

25. ABSTENTION FROM VOTING

Shareholders who are entitled to participate in the Scheme, including eligible Directors who are also Shareholders and their Associates, should abstain from voting on any resolutions relating to the Scheme, and should decline appointment as proxies for voting in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.

26. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Participants, by accepting the offer of the grant of Options in accordance with the Scheme, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

SCHEDULE 1

YHM CHARISMA ENERGY EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: Name
Designation
Address

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Committee of the Board of Directors of YHM Group **Charisma Energy Services** Limited (the “**Company**”) to participate in the YHM **Charisma Energy** Employee Share Option Scheme (the “**Option Scheme**”). Terms as defined in the Option Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1, to subscribed for and be allotted _____ Shares at the price of S\$_____ for each Share. The Option shall be subject to the terms of this Letter of Offer and the Option Scheme (as the same may be amended or modified from time to time pursuant to the terms and conditions of the Option Scheme), a copy of which is enclosed herewith.

The Option shall be exercisable at times, and in respect of such percentage of Shares, set out in the attached Vesting Schedule.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1 not later than _____ a.m./p.m. on _____, failing which this offer will forthwith lapse.

Yours faithfully
For and on behalf of
YHM Group **Charisma Energy Services** Limited

Name:
Designation:

SCHEDULE 2

YHM CHARISMA ENERGY EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No.: _____

PRIVATE AND CONFIDENTIAL

To: The Committee
YHM **Charisma Energy** Employee Share Option Scheme
YHM Group **Charisma Energy Services** Limited
15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Date for Acceptance of Option : _____
No. of Shares in respect of which Option is offered : _____
Exercise Price per Share : S\$ _____
Total Amount Payable on Acceptance of Option : S\$ _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms thereof and of the YHM **Charisma Energy** Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or Option to subscribe for such shares.

I hereby accept the Option to subscribe for _____ Shares at S\$ _____ for each Share and enclose *cash/bank draft/cashier's order/postal order no. _____ for S\$ _____ being payment for the acceptance of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____
Designation : _____
Address : _____
Nationality : _____
*NRIC/Passport No. : _____
Signature : _____
Date : _____

* **Delete accordingly**

SCHEDULE 2

Notes:-

1. Option must be accepted in full or in multiples of 1,000 Shares.
2. The Acceptance Form must be forwarded to The Committee, YHM **Charisma Energy** Employee Share Option Scheme in a sealed envelope marked "Private and Confidential".
3. The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

SCHEDULE 3

**YHM CHARISMA ENERGY EMPLOYEE SHARE OPTION SCHEME
FORM OF EXERCISE OF OPTION**

PRIVATE AND CONFIDENTIAL

To: The Committee
YHM **Charisma Energy** Employee Share Option Scheme
YHM Group **Charisma Energy Services** Limited
15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Total number of ordinary shares (the “**Shares**”) at S\$: _____
_____ per Share under an Option granted on _____

Number of Shares previously allotted thereunder : _____

Outstanding balance of Shares which may be allotted : _____
and issued thereunder

Number of Shares now to be subscribed (in multiples of : _____
1,000)

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for the abovementioned Shares in YHM Group **Charisma Energy Services** Limited (the “**Company**”) at S\$ _____ per Share.
2. I enclose a *cheque/cashier’s order/bank draft/postal order no. _____ for S\$ _____ in payment for the subscription of the total number of the said Shares and the CDP charges of S\$ _____.
3. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the YHM **Charisma Energy** Employee Share Option Scheme (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Memorandum and Articles of Association of the Company.
4. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited (“CDP”) for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. OR : _____

*Sub-Account No. : _____

Name of Depository Agent OR : _____

*CPF Investment Account No. : _____

SCHEDULE 3

Name of Agent Bank : _____
Signature : _____
Date : _____

* **Delete accordingly**

Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, a listed company may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but will not cover the transactions relating to the purchase or sale of assets, undertakings or businesses. Transactions between the Charisma IPT Group and any Interested Person will constitute an interested person transaction, which is subject to Chapter 9 of the Catalist Rules.

In this connection, Rule 906 prescribes that the Company must obtain Shareholders' approval for any interested person transaction of a value equal to, or more than five per cent. (5%) of the Charisma IPT Group's latest audited NTA or five per cent (5%) of the Charisma IPT Group's latest audited NTA when aggregated with other transactions entered into with the same Interested Person during the same financial year. However, a transaction which has been approved by Shareholders, or is the subject of aggregation with another transaction that has been approved by Shareholders, need not be included in any subsequent aggregation. It should also be noted that Rules 905 and 906 of the Catalist Rules do not apply to any transaction which has a value that is below S\$100,000 with an Interested Person, and therefore transactions below S\$100,000 need not be covered under a general mandate.

A general mandate granted by shareholders is subject to annual renewal. Due to the time-sensitive nature of commercial transactions, such a mandate will enable a listed company, in its ordinary course of business, to enter into certain categories of transactions with certain classes of interested persons, provided such interested person transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Scope and Validity of the Proposed 2015 IPT Mandate

The proposed 2015 IPT Mandate will cover transactions between the Charisma IPT Group and the Ezion Group which are of a revenue or trading nature or those necessary for the day-to-day operations of the Charisma IPT Group, but not in respect of the purchase or sale of assets, undertakings or businesses.

The proposed 2015 IPT Mandate will not cover any transaction with the Ezion Group which is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions. Transactions with the Ezion Group that do not fall within the ambit of the proposed 2015 IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

If approved by Shareholders at the EGM, the proposed 2015 IPT Mandate will take effect from the passing of the Ordinary Resolution at the EGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next annual general meeting of the Company.

Thereafter, approval from Shareholders for the renewal of the proposed 2015 IPT Mandate will be sought at each subsequent annual general meeting of the Company. Ezion and its Associates will abstain from voting on such resolutions in respect of the renewal of the proposed 2015 IPT Mandate. Furthermore, Ezion and its Associates shall not act as proxies in relation to such resolutions unless voting instructions have been given by the relevant Shareholder.

Pursuant to Rule 920(1)(c) of the Catalist Rules, an independent financial adviser's opinion will not be required for the renewal of the proposed 2015 IPT Mandate if the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the last shareholder approval; and
- (b) the methods or procedures in sub-paragraph (a) above are sufficient to ensure that the Recurrent IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX 2 – THE 2015 IPT MANDATE

Class of Interested Persons

The proposed 2015 IPT Mandate will apply to the interested person transactions as described in ~~Section 2.4~~ of this Circular below that are carried out with the Ezion Group.

Ezion is an Interested Person as it is a Controlling Shareholder of the Company and holds, as at the Latest Practicable Date, ~~4,260,932,000~~5,091,932,000 Shares, representing a direct interest of approximately ~~49.99%~~ 49.41% in the total issued share capital of the Company.

Transactions with “Interested Persons” which do not fall within the ambit of the proposed 2015 IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules and/or the Companies Act, if any.

For ~~FY2013~~ FY2014, excluding transactions below S\$100,000, there were no interested person transactions entered into by the Charisma IPT Group with the Ezion Group.

Categories of Recurrent IPTs

The proposed 2015 IPT Mandate will encompass the following interested person transactions:

- (a) the provision of technical advisory and technical management services as well as personnel for marine and offshore operations (the **“Provision of Services and Personnel”**) by the Ezion Group;
- (b) the charter of offshore support vessels, self-propelled lift-boats, service rigs, and other marine and offshore assets (the **“Assets”**) from the Ezion Group;
- (c) the provision of Assets for charter to the Ezion Group;
- (d) the Charisma IPT Group acting as shipbroker for the Ezion Group; ~~and~~
- (e) the Ezion Group acting as shipbroker for the Charisma IPT Group; ~~and~~
- (f) the payment of management fees to the Ezion Group for the provision of office space, human resource and information technology services (the **“Provision of Support Service”**).

(the **“Recurrent IPTs”**).

Rationale and Benefits of the Proposed 2015 IPT Mandate

It is envisaged that in the ordinary course of their businesses, transactions between the Charisma IPT Group and the Ezion Group are likely to occur from time to time as the Charisma IPT Group also focuses on on-shore and offshore oil and gas and marine related businesses that are complementary to the existing business of the Ezion Group. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the Group to the Company’s interested persons or the obtaining of goods and services from them.

In addition, the Company pays the Ezion Group a management fee for the Provision of Support Service by the Ezion Group which will enable the Company to benefit from the Ezion Group’s expertise and enable the Company to carry on its business and corporate functions seamlessly and effectively (the **“Ezion Management Fee”**). The Company therefore derives synergy and benefits from being an associated member of the Ezion Group.

APPENDIX 2 – THE 2015 IPT MANDATE

In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of the proposed 2015 IPT Mandate pursuant to Chapter 9 of the Catalist Rules will enable:

- (a) the Company;
- (b) subsidiaries of the Company (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company, or the Company and its interested person(s), has or have control,

(together, the “Charisma IPT Group”), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions set out in ~~Section 2.4~~ above (under the section titled “**Categories of Recurrent IPTs**”) with the specified classes of the Company’s Interested Persons set out in ~~Section 2.3~~ above (under the section titled “**Class of Interested Persons**”), provided such Recurrent IPTs are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

If approved, the adoption of the proposed 2015 IPT Mandate will:

- (i) facilitate entry into the Recurrent IPTs with the Ezion Group in the ordinary course of the Charisma IPT Group’s businesses;
- (ii) eliminate the need for the Company to convene separate general meetings on each occasion, pursuant to the financial limits imposed under Chapter 9 of the Catalist Rules to seek Shareholders’ approval as and when such transactions with the Ezion Group arise, thereby:
 - (A) reducing substantially the administrative time, inconvenience and costs associated with the convening of such meetings;
 - (B) allowing manpower resources and time to be channelled towards attaining corporate objectives; and
 - (C) enabling the Charisma IPT Group to maintain its overall competitiveness and not be placed at a disadvantage to other parties that do not require shareholders’ approval to be obtained for entering into such transactions.

Review Procedures for Recurrent IPTs

The Company will establish the following guidelines and review procedures pursuant to the proposed 2015 IPT Mandate to ensure that the Recurrent IPTs are undertaken on normal commercial terms consistent with its usual business practice and policies and are not prejudicial to the interests of the Company and its minority Shareholders.

- (a) The Audit Committee has the overall responsibility for determining the review procedures with the authority to delegate to individuals within the Charisma IPT Group and/or such external advisors as they deem appropriate, and any member of the Audit Committee may, at his discretion, request for additional information pertaining to the Recurrent IPTs under review from independent sources or advisers.
- (b) All Recurrent IPTs with the Ezion Group above S\$100,000 each are to be approved by a Director who shall not be an Interested Person in respect of the particular transaction. Recurrent IPTs with the Ezion Group below S\$100,000 each do not require such approval.

APPENDIX 2 – THE 2015 IPT MANDATE

(c) Provision of Services and Personnel to the Charisma IPT Group

Any Recurrent IPT will not be entered into unless the fees for the Provision of Services and Personnel by the Ezion Group is based on their usual fees of the relevant or comparable services and/or personnel. The fees will be no less favourable than that offered to unrelated third party customers after taking into consideration various factors including *inter alia*, the customers' credit standing, volume of transactions, tenure of business relationship and potential for future repeat business. The Charisma IPT Group will obtain from the Ezion Group the necessary evidence to satisfy itself that the basis set out herein has been adhered to by the Ezion Group. In addition, the Charisma IPT Group will obtain at least two quotations, where available, from unrelated third party suppliers and/or service providers ("**Third-party Quotations**") to determine if the fees quoted by the Ezion Group are competitive. If such Third-party Quotations are priced more competitively than those provided by the Ezion Group, the Charisma IPT Group will re-negotiate with the Ezion Group for a quote which is at least as competitive as the Third-party Quotations, taking into account the factors referred to above. The Charisma IPT Group will not accept a quote from the Ezion Group which is not as competitive as a Third-party Quotation.

Where it is not possible to compare against the terms of other transactions with unrelated third parties given that the services and/or personnel may be provided only by the Ezion Group, the fees payable by the Charisma IPT Group for such services and/or personnel to be provided by the Ezion Group will be determined by the chief executive officer or the chief financial officer, financial controller or equivalent of the relevant company in the Charisma IPT Group, who has no interest in the Recurrent IPT, in accordance with the Charisma IPT Group's usual business practices and policies. In determining the fees payable to the Interested Person for such services and/or personnel, factors such as, but not limited to, volume of transactions, requirements and specifications will be taken into account.

(d) Chartering of Assets to or from the Ezion Group by the Charisma IPT Group

If there is any new charter, revision of charter rates charged to or by (as the case may be) or any renewal of chartering agreements between the Charisma IPT Group and the Ezion Group, the senior finance officer of the relevant company in the Charisma IPT Group, who has no interest in the Recurrent IPTs, will review the charter rates, the revision of charter rates, or the revised terms upon which the charter agreements are to be entered/renewed (as the case may be) to ensure that they are on normal commercial terms. This will be done by comparing the charter rates against those granted to or granted by at least two unrelated third parties.

In the event that such comparative charter rates cannot be obtained (for instance, if there are no unrelated third parties), the chief executive officer or the chief financial officer, financial controller or equivalent of the relevant company in the Charisma IPT Group, who has no interest in the Recurrent IPT, will determine whether the price and terms offered by or to the Interested Person are fair and reasonable. The terms of the charter will be in accordance with applicable industry norms, prevailing rates and at rates no less favourable than those charged by the Interested Person to an unrelated third party or from an unrelated third party to the Interested Person. In determining this, factors such as, but not limited to requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(e) Shipbrokering of Vessels for the Ezion Group and the Ezion Group acting as Shipbroker for the Charisma IPT Group

For the shipbrokering of vessels for the Ezion Group by the Charisma IPT Group and having the Ezion Group act as the shipbroker for the Charisma IPT Group (as the case may be), the chief executive officer or the chief financial officer, financial controller or equivalent of the relevant company in the Charisma IPT Group, who has no interest in the Recurrent IPT, will determine whether the price and terms offered by or to the Interested Person are fair, reasonable and on normal commercial terms. The terms of the charter will be in accordance with applicable industry norms, prevailing rates and at rates no less favourable than those charged by the Interested Person to an unrelated third party or from an unrelated third party to the Interested Person (as the case may be). In determining this, factors such as, but not limited to the industry brokerage rates, condition of the vessel, size of the transaction, specifications and strategic purposes of the transaction will be taken into account.

APPENDIX 2 – THE 2015 IPT MANDATE

(f) Provision of Support Services by the Ezion Group to the Charisma IPT Group

The management fee paid to the Ezion Group for the Provision of Support Service is computed based on the cost incurred by Ezion for the total office floor area occupied by the Company's employees as well as the human resources and information technology services rendered to the Company with a reasonable mark up on this base cost figure. The Charisma IPT Group will obtain from the Ezion Group the necessary evidence to satisfy itself that the basis set out herein has been adhered to by the Ezion Group. In addition, the Charisma IPT Group will obtain Third-party Quotations to determine if the fees quoted by the Ezion Group are competitive. If such Third-party Quotations are priced more competitively than those provided by the Ezion Group, the Charisma IPT Group will re-negotiate with the Ezion Group for a quote which is at least as competitive as the Third-party Quotations, taking into account factors such as, but not limited to, the synergy and benefit derived by the Company, Ezion's experience and expertise, requirements and specifications of the services or location. The Charisma IPT Group will not accept a quote from the Ezion Group which is not as competitive as a Third-party Quotation.

In the event that such Third-party Quotations cannot be obtained, the management fee payable by the Charisma IPT Group for the support services to be provided by the Ezion Group will be determined by the chief executive officer or the chief financial officer, financial controller or equivalent of the relevant company in the Charisma IPT Group, who has no interest in the Recurrent IPT, in accordance with the Charisma IPT Group's usual business practices and policies. In determining the management fee payable to the Interested Person for such support services, factors such as, but not limited to, the synergy and benefit derived by the Company, Ezion's experience and expertise, requirements and specifications of the services or location.

(g) The Company will monitor all Recurrent IPTs and categorise them as follows:

- (i) A Category 1 Recurrent IPT is one where the value thereof is in excess of five per cent. (5%) of the latest audited consolidated NTA of the Charisma IPT Group ("**Category 1 Recurrent IPT**"); and
- (ii) A Category 2 Recurrent IPT is one where the value thereof is below or equal to five per cent. (5%) of the latest audited consolidated NTA of the Charisma IPT Group ("**Category 2 Recurrent IPT**").

All Category 1 Recurrent IPTs must be approved by the Audit Committee prior to entry whereas Category 2 Recurrent IPTs need no such approval provided that these transactions with a value equivalent to or greater than S\$100,000 shall be reviewed, at minimum, on a half-yearly basis by the Audit Committee.

In addition to and without prejudice to the above, where the aggregate value of all Category 2 Recurrent IPTs with the same Interested Person in the current financial year is equal to or exceeds three per cent. (3%) of the latest audited NTA of the Charisma IPT Group, the latest and all future Category 2 Recurrent IPTs with that same Interested Person (so defined) will be approved by the Audit Committee prior to the Charisma IPT Group's entry into such transactions.

If any member of the Audit Committee has an interest in any Recurrent IPT or is a nominee for the time being of an Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.

The Company shall prepare the relevant information to assist the Audit Committee in its review.

- (h) The Company will keep a register to record all Recurrent IPTs, which register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis. The Audit Committee will review the register on the Recurrent IPTs on at least a half-yearly basis to ascertain if the above internal control procedures have been complied with.

APPENDIX 2 – THE 2015 IPT MANDATE

- (i) The annual audit by the auditors of the Company shall incorporate a review of the Recurrent IPTs entered into pursuant to the proposed 2015 IPT Mandate recorded in the register. The Audit Committee shall, if it deems necessary, require the appointment of auditors or any independent professional to review all matters relating to the Recurrent IPT entered into pursuant to the proposed 2015 IPT Mandate recorded in the register.
- (j) The annual internal audit plan shall incorporate a review of all transactions entered into pursuant to the proposed 2015 IPT Mandate. The Audit Committee will review the internal audit reports on the Recurrent IPTs on at least an annual basis to ascertain if the above internal control procedures have been complied with. If during the course of any of their reviews, the Audit Committee is of the view that the internal control procedures for the Recurrent IPTs have become inappropriate or insufficient for whatever reasons, the Company will seek the Shareholders' approval for a fresh general mandate based on the new internal control procedures to ensure that the Recurrent IPT will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- (k) Disclosure will be made in the Company's annual report of the aggregate value of transactions conducted pursuant to the proposed 2015 IPT Mandate or otherwise, during the financial year under review, and in the annual reports for the subsequent financial years during which the proposed 2015 IPT Mandate is renewed and remains in force.
- (l) The Company will maintain a list of Interested Persons, which will be updated periodically, and will disseminate the list to the relevant staffs of the companies within the Charisma IPT Group to enable the identification of the Interested Persons.
- (m) The Company shall announce the aggregate value of transactions conducted pursuant to the proposed 2015 IPT Mandate for the financial periods on which the Company is required to report pursuant to Rule 705 of the Catalist Rules.
- (n) The Board will also ensure that all disclosure, approval and other requirements on Recurrent IPTs, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with. In the event that a member of the Board or a member of the Audit Committee (where applicable) is interested in any Recurrent IPT he/she will abstain from reviewing that particular transaction to ensure that the Recurrent IPT will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Upon Shareholders' approval, the proposed 2015 IPT Mandate shall take effect from the passing of the Ordinary Resolution at the EGM and will be effective until the next annual general meeting of the Company, unless sooner revoked or varied by the Company in a general meeting. Thereafter, approval from the Shareholders for a renewal of the proposed 2015 IPT Mandate will be sought at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of the proposed 2015 IPT Mandate's continued applicability.

Transactions which do not fall within the ambit of the proposed 2015 IPT Mandate shall be subject to the other relevant provisions of the Catalist Rules as appropriate.

SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

1 Robinson Road
#21-02 AIA Tower
Singapore 048542

6 April 2015

Charisma Energy Services Limited
15 Hoe Chiang Road
#12-05 Tower Fifteen
Singapore 089316

Attention: The Non-Interested Directors of Charisma Energy Services Limited

Mr. Tan Ser Ko
Mr. Wong Bheet Huan
Mr. Cheng Yee Seng
Mr. Lim Chen Yang
Mr. Simon deVilliers Rudolph

Dear Sirs

THE PROPOSED MODIFICATION TO, AND RENEWAL OF, THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein.

1. INTRODUCTION

Charisma Energy Services Limited (the “**Company**”) first obtained a mandate at an extraordinary general meeting of the Company held on 21 April 2014 to enable the Company, its subsidiaries and associated companies or any of them to enter into certain recurring interested person transactions (the “**2014 IPT Mandate**”).

The Company is proposing a modification to the 2014 IPT Mandate and wishes to seek the approval of the shareholders of the Company (the “**Shareholders**”) for the proposed modification to, and renewal of, the 2014 IPT Mandate (the “**2015 IPT Mandate**”) permitting the Charisma IPT Group to enter into recurring interested person transactions as set out in the section entitled “Categories of Recurrent IPTs” in Appendix 2 of the Circular (the “**Recurrent IPTs**”) with its interested persons comprising Ezion Holdings Limited and its subsidiaries (collectively, the “**Ezion Group**”). The modification to the 2014 IPT Mandate relates to the expansion of the categories of Recurrent IPTs to include the payment of management fees to the Ezion Group for the provision of office space, human resource and information technology services by the Ezion Group to the Charisma IPT Group.

Pursuant to Chapter 9 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Company has appointed us as the independent financial adviser (the “**IFA**”) to the Directors who are considered independent in respect of the proposed 2015 IPT Mandate (the “**Non-Interested Directors**”).

This letter, which sets out our evaluation of the review procedures under the proposed 2015 IPT Mandate, will form part of the Circular to seek the approval of the Shareholders for the proposed 2015 IPT Mandate.

2. TERMS OF REFERENCE

We have been appointed as the IFA to the Non-Interested Directors to express an opinion, for the purposes of Chapter 9 of the Catalist Rules, on whether the review procedures of the Company for determining transaction prices of the Recurrent IPTs, if adhered to, are sufficient to ensure that the Recurrent IPTs will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were not privy to the negotiations entered into by the Company in relation to the Recurrent IPTs as contemplated under the proposed 2015 IPT Mandate nor were we involved in the deliberations leading up to the decision of the Directors to undertake the proposed 2015 IPT Mandate. We do not, by this letter, warrant the merits of the proposed 2015 IPT Mandate. We have also not conducted a comprehensive independent review of the business, operations or financial condition of the Charisma IPT Group or the Ezion Group.

For the purposes of arriving at our opinion in respect of the proposed 2015 IPT Mandate, we have considered the review procedures of the Company for determining transaction prices for the Recurrent IPTs but have not evaluated, and have not been requested to comment on, the strategic or commercial merits or risks of the proposed 2015 IPT Mandate or the prospects or earnings potential of the Charisma IPT Group after the implementation of the proposed 2015 IPT Mandate.

In the course of our evaluation, we have held discussions with the Directors and/or the management of the Company (the “**Management**”). We have relied on the information and representations, whether written or verbal, provided to us by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations and accordingly cannot and do not warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of these information or representations. We have, however, made such enquiry and exercised such judgement (as deemed necessary) in assessing the information and representations provided to us and have found no reason to doubt the accuracy or reliability of such information or representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the proposed 2015 IPT Mandate has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information in the Circular to be inaccurate, incomplete or misleading in any material respect. Accordingly, no representation or warranty, expressed or implied, is made by us and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Our opinion, as set out in this letter, is based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of, 27 March 2015 (the “**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

Our opinion in relation to the proposed 2015 IPT Mandate should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly we accept no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE PROPOSED 2015 IPT MANDATE

3.1 Scope and Validity of the Proposed 2015 IPT Mandate

The scope and validity of the proposed 2015 IPT Mandate are set out on page 35 in Appendix 2 of the Circular, and Shareholders are advised to read the information carefully.

3.2 Class of Interested Persons

The class of interested persons is set out on page 36 in Appendix 2 of the Circular, and Shareholders are advised to read the information carefully.

3.3 Categories of Recurrent IPTs

The categories of interested person transactions under the proposed 2015 IPT Mandate are set out on page 36 in Appendix 2 of the Circular, and Shareholders are advised to read the information carefully.

3.4 Rationale and Benefits of the Proposed 2015 IPT Mandate

The rationale and benefits of the proposed 2015 IPT Mandate are set out on page 36 and 37 in Appendix 2 of the Circular, and Shareholders are advised to read the information carefully.

3.5 Review Procedures for the Recurrent IPTs

The review procedures for the Recurrent IPTs are set out on page 37 to 40 in Appendix 2 of the Circular, and Shareholders are advised to read the information carefully.

4. OUR OPINION

Having considered, *inter alia*, the rationale and benefits of the proposed 2015 IPT Mandate, the review procedures of the Company for the Recurrent IPTs and the role of the Audit Committee of the Company in enforcing the proposed 2015 IPT Mandate, and subject to the qualifications and assumptions set out herein, we are of the opinion that the review procedures for determining transaction prices of the Recurrent IPTs as set out in Appendix 2 of the Circular, if adhered to, are sufficient to ensure that the Recurrent IPTs will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is addressed to the Non-Interested Directors in connection with and for the purposes of its consideration of the proposed 2015 IPT Mandate. The recommendation to be made by the Non-Interested Directors to the Shareholders shall remain the sole responsibility of the Non-Interested Directors. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purposes at any time and in any manner without the prior written consent of SAC Capital Private Limited in each specific case, except for the forthcoming EGM and for the purposes of any matter relating to the proposed 2015 IPT Mandate.

APPENDIX 3 – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE NON-INTERESTED DIRECTORS

Our opinion is governed by and shall be construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Alicia Kwan
Partner

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHARISMA ENERGY SERVICES LIMITED

(formerly known as YHM Group Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199706776D)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of the Shareholders of Charisma Energy Services Limited (the “**Company**”) will be held on 21 April 2015 at Ballroom 3, The Singapore Island Country Club, 180 Island Club Road, Singapore 578774 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be convened on the same day and at the same venue) for the purposes of considering and, if thought fit, passing (with or without modifications) the resolutions set out below.

All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the Circular dated 6 April 2015 to Shareholders of the Company (the “**Circular**”).

AS ORDINARY RESOLUTIONS:

ORDINARY RESOLUTION 1

Approval for the proposed amendment to the Exercise Price (as defined in Section 2 of the Circular) of the Charisma Energy Employee Share Option Scheme (“Scheme”)

That:

- (a) the proposed amendments to the rules of the Scheme (“**Scheme Rules**”) as set out in Appendix 1 to the Circular be and are hereby adopted and approved;
- (b) the Directors be and are hereby authorised to offer and grant options in accordance with the provisions of the modified Scheme Rules and allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the modified Scheme Rules; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

ORDINARY RESOLUTION 2

Approval for the 2015 IPT Mandate, as proposed to be amended and renewed from the 2014 IPT Mandate for Interested Person Transactions

That:

- (a) approval be and is hereby given for the purpose of Chapter 9 of Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of the Catalist (the “**Catalist Rules**”) for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Catalist Rules), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix 2 to the Circular with any party who is of the class of Interested Person described in Appendix 2 to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures described in Appendix 2 to the Circular for such Interested Person Transactions;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the approval given in paragraph (a) above (the “**2015 IPT Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the 2015 IPT Mandate and/or this Resolution.

BY ORDER OF THE BOARD

Charisma Energy Services Limited

Tan Ser Ko

Executive Director and Chief Executive Officer

6 April 2015

NOTES:-

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy needs not be a member of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the meeting will act as your proxy.
5. The form of proxy or other instruments of appointment shall not be treated as valid unless deposited at the Company’s Office at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316, not less than 48 hours before the time appointed for holding the meeting and at any adjournment thereof.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Charisma Energy Services Limited
 (formerly known as YHM Group Limited)
 (Incorporated in the Republic of Singapore)
 (Company Registration No. 199706776D)

IMPORTANT:

1. For investors who have used their CPF monies to buy Charisma Energy Services Limited shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF approved nominee.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 6 April 2015.

PROXY FORM

I/We (Name) _____ (NRIC/Passport No.) _____
 of (Address) _____

being a shareholder/ member of **Charisma Energy Services Limited** (the “**Company**”) hereby appoint:

| Name | Address | NRIC/Passport No. | Proportion of Shareholding (%) |
|------|---------|-------------------|--------------------------------|
| | | | |

and/or (delete as appropriate)

| Name | Address | NRIC/Passport No. | Proportion of Shareholding (%) |
|------|---------|-------------------|--------------------------------|
| | | | |

or failing whom the Chairman of the Extraordinary General Meeting (“**EGM**”) as *my/our proxy/proxies to vote for *me/ us on *my/our behalf and, if necessary, to demand a poll at the EGM of the Company to be convened on 21 April 2015 at Ballroom 3, The Singapore Island Country Club, 180 Island Club Road, Singapore 578774 at 10.30 a.m. and at any adjournment thereof. *I/We direct *my/our proxy/ proxies to vote for or against the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the EGM.

| No. | | No. of votes for ⁽¹⁾ | No. of votes against ⁽¹⁾ |
|-----|---|---------------------------------|-------------------------------------|
| 1. | To approve the proposed amendment to the Exercise Price of the Charisma Energy Employee Share Option Scheme | | |
| 2. | To approve the 2015 IPT Mandate, as proposed to be modified and renewed from the 2014 IPT Mandate | | |

Notes:

- (1) If you wish to exercise all your votes “For” or “Against”, please indicate with a tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015.

| | |
|-----------------------------|--|
| Total Number of Shares held | |
| CDP Register | |
| Register of Members | |

 Signature(s) of Member(s)/Common Seal

***Delete accordingly**

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes: -

1. *A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his stead.*
2. *Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.*
3. *A proxy need not be a member of the Company.*
4. *Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act (Cap. 50) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.*
5. *The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316 not less than 48 hours before the time set for the EGM.*

Affix
Postage
Stamp

The Company Secretary
Charisma Energy Services Limited
15 Hoe Chiang Road, #12-05
Tower Fifteen Singapore 089316

6. *The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.*
7. *Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.*
8. *A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.*
9. *The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.*

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