

## ANNOUNCEMENT

### PROPOSED SCHEMES OF ARRANGEMENT

#### 1. INTRODUCTION

The board of directors (the “**Board**”) of EMS Energy Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcement released by the Company on 1 August 2016 in relation to, *inter alia*, the restructuring and/or negotiating of payment schedules with its creditors; and
- (b) the announcement released by the Company on 23 September 2016 in relation to, *inter alia*, the intended filing of applications with the High Court of the Republic of Singapore (“**Court**”) to propose schemes of arrangement under Section 210 of the Companies Act (Cap. 50) (the “**Companies Act**”) in connection with the proposed restructuring of the respective debt obligations and liabilities of the Company, Koastal Industries Pte. Ltd. (“**KIPL**”) and EMS Energy Solutions Pte. Ltd. (“**EES**”) (the “**Schemes of Arrangement**”),

collectively, the “**Announcements**”.

#### 2. APPLICATIONS FOR PROPOSED SCHEMES OF ARRANGEMENT

Further to the Announcements, the Board wishes to announce that the Company, KIPL and EES (collectively, the “**Applicants**”) have, on 28 September 2016, filed applications with the Court seeking, amongst others: (a) that the Applicants be at liberty to convene a meeting of creditors within six (6) months (or such other extended period as may be ordered by the Court) of the date of the order of Court, for the purpose of considering, and if thought fit, approving, with or without modification, the Schemes of Arrangement to be entered into between the Applicants and their respective creditors; and (b) that all pending, contingent or fresh suits, actions or proceedings against the Applicants or any enforcement or execution against any assets of the Applicants shall be restrained forthwith except by leave of the Court and subject to such terms as the Court imposes, save that secured creditors of KIPL and EES shall be at liberty to take such action as may be necessary in respect of their security interests under any security provided by KIPL and EES to such creditors (the “**Applications**”).

The Group has appointed Rajah & Tann Singapore LLP as its legal advisor in relation to the Schemes of Arrangement and will be proposing Mr. Wong Joo Wan of Alternative Advisors Pte Ltd (“**Alternative Advisors**”), the corporate advisor advising the Group, as scheme manager. The Company understands from Alternative Advisors that they would be able to consider the interest of all the creditors and other stakeholders of the Group.

Through the filing of the Applications, the Group is seeking to effect a consensual restructuring of the debts and liabilities of the Company, KIPL and EES in a manner which would maximise the value of these companies and their assets for the creditors and shareholders of these companies. In particular, the Company believes that notwithstanding cash flow difficulties at this time, there remains a reasonable prospect of rehabilitating the Company and its two subsidiaries and obtaining greater value from their business and assets if the Company, KIPL and EES are allowed to carry on their business in the ordinary course of nature, without the threat and distraction of proceedings and other action which may be taken

by creditors. The Company also believes that the Schemes of Arrangement, if successful, will likely result in a higher recovery for creditors of the Company, KIPL and EES than in a winding up.

As at the date of this announcement, the date for hearing of the Applications has yet to be determined by the Court.

The Company will, in compliance with the Catalist Rules, make the relevant disclosures in the event of any material developments, including the outcome of the Applications.

### 3. UPDATE ON CLAIMS RECEIVED BY THE GROUP

Further to the release of the Announcements, EES had, on 26 September 2016, received a letter of demand ("**Letter of Demand**") from the lawyers acting for United Overseas Bank Limited ("**UOB**") claiming the sum of S\$3,464,503.63 and US\$1,520,612.93 (collectively, the "**Outstanding Sum**") in respect of certain banking facilities ("**Facilities**") granted to EES. The amounts owing from EES under the Facilities are secured by a mortgage in respect of the property located at 10 Tuas Avenue 11 Singapore 639076 ("**Mortgaged Property**") under a mortgage executed by EES in favour of UOB ("**Mortgage**").

Notice is given in the Letter of Demand that if EES fails to pay the Outstanding Sum within 14 days, UOB intends to and will exercise its power of sale in respect of the Mortgaged Property and enforce its other rights under the Mortgage.

As at the date of this announcement, the total sum of claims (including letters of demand, notice of legal proceedings, as well as statutory notices of demand under the Companies Act) received by the Group is approximately S\$19.9 million.

By Order of the Board  
EMS Energy Limited

Ting Teck Jin  
Executive Chairman  
28 September 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant Catalist rules. The Sponsor has not independently verified the contents of this announcement.*

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

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