

ANNOUNCEMENT

LETTER OF DEMAND FROM JTC CORPORATION ON TUAS SOUTH PREMISES

The board of directors (the “**Board**”) of EMS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 22 April 2019 received a letter dated 17 April 2019 from JTC Corporation (the “**JTC**”) demanding the repayment of rental arrears of S\$941,253.87 due to JTC and was also informed that legal proceedings against the Company may be commenced for non-repayment of the rental arrears, and the premises at Tuas South Street 15 (the “**Premises**”) leased by the Company may be repossessed. The letter of 17 April 2019 referenced to (i) the letter from JTC dated 26 March 2019 demanding full repayment of rental arrears due to JTC by 2 April 2019 and reminded the Company to fulfil the investment criteria (“**Investment Criteria**”) in the lease agreement with JTC by 31 December 2019 as well as (ii) the Company’s letter dated 2 April 2019 to JTC requesting for further time extension to repay the rental arrears.

The Company had on 22 April 2019 written to JTC requesting for a meeting together with the Company’s Scheme Manager. The Board together with its Scheme Manager had a follow up meeting with JTC on 29 April 2019 and concludes that the best course of action is to return the Premises to JTC to avoid further rental charges. It is the intention of the Company to return the Premises to JTC as soon as possible and negotiate for a repayment scheme on the rental arrears with JTC.

The Company has not been able to fulfil the Investment Criteria and had held talks with various parties for joint development since construction halted in 2016. However, there was no concrete agreement mainly due to the restriction on scope of JTC lease as well as the balance tenure. There were no activities at the Premises since 2016 and the Company has no future plans requiring the Premises. As such, there is no material impact on the operations of the Group after returning the Premises to JTC.

In view that the cost of construction relating to the Premises which were previously being capitalised are likely to be written off, the return of the Premises to JTC is expected to have a material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2019.

The Company will keep the shareholders informed of the progress of the matter and make such further announcement(s) as and when appropriate.

By Order of the Board
EMS Energy Limited

Wee Woon Hong
Company Secretary
6 May 2019

*This announcement has been prepared by EMS Energy Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

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

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