

ANNOUNCEMENT

APPROVAL FOR EXTENSION OF TIME FOR ANNOUNCEMENT OF FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

EMS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement by the Company on 28 February 2017 in relation to the Company’s application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for an extension of three months to announce its unaudited full year financial results for the period ended 31 December 2016 . Unless the context otherwise requires, all capitalised terms not defined herein shall have the meanings ascribed to them in the Company’s announcement dated 28 February 2017.

The Company wishes to announce that based on the Company’s application and subsequent correspondences with the SGX-ST, the SGX-ST has informed the Company on 31 March 2017 that it has granted the Company the following: -

- (a) 3 month extension till 31 May 2017, to announce its unaudited full year financial results for FY2016; and
- (b) 3-month extension till 31 July 2017, to hold its annual general meeting for FY2016 (the “**Extension**”).

The Extension is subject to the Company:-

- (a) announcing the extension granted, the reasons for seeking the extension and the conditions imposed by the SGX-ST;
- (b) submitting a written confirmation that the Company is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors’ decision which was not formally disclosed to the investors; and
- (c) submitting a written confirmation that the waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company.

The Company also wishes to inform that the Company will be submitting written confirmations to SGX to confirm that the waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company and that the Company is not aware of any information (including and not limited to financial information) with respect to the Group that may have a material bearing on investors’ decision which was not formally disclosed to the investors.

As announced by the Company on 28 February 2017, the Company had made the Application based on the following reasons:-

- (i) As announced by the Company on 5 October 2016, 8 November 2016, 29 November 2016, 19 January 2017, 7 February 2017 and 10 February 2017, the Company, Koastal Industries Pte. Ltd. (“KIPL”) and EMS Energy Solutions Pte. Ltd. (“EES”)(collectively, the “Applicants”), have obtained an interim moratorium under Section 210(10) of the Companies Act (Cap. 50), which restrains, for a period until 10 February 2016 or until the Courts otherwise orders, all pending, contingent, or fresh suits, actions or proceedings against the Applicants or any enforcement or execution against any assets of the Applicants except by leave of the Court and subject to such terms as the Court imposes, save that secured creditors as they deem fit in their sole discretion. Pending the case management conference on 9 May 2017 and the meeting of creditors of each of the Applicants to be convened within 6 months from 7 February 2017, the financial results of the Group for FY2016 could be potentially affected, depending on the outcome of the case management conference. By way of the waiver, the Company would be afforded the opportunity to have regard the outcome of the case management conference on 9 May 2017 when preparing the financial results of the Group for FY2016;

- (ii) The Company has experienced high staff turnover in the finance team of the Group in FY2016 which resulted in the delay of finalising its unaudited financial results for FY2016;
- (iii) The Company's external auditors, BDO LLP, require more time to perform and complete the audit for the financial results for FY2016, as the carrying amount of certain assets and liabilities of the Group will be potentially affected by the outcome of the Creditors' Meeting and the Proposed Schemes of Arrangement; and
- (iv) As announced by the Company on 15 November 2016, Koastal Industries Pte. Ltd., a wholly-owned subsidiary of the Group has, on 10 November 2016 received a notice from legal advisers acting for Shanghai Shipyard Co., Ltd ("SHSY") terminating the DES Contracts and claiming sums of US\$41 million advanced under the DES Contracts, with interest accruing at 5% per annum accruing from the date of advance of such sums (the "Notice"). As the Notice may impact the proposed schemes of arrangement filed with the High Court of Singapore on 28 September 2016, the current management and staff of the Group are expending significant time and resource on discussions with its advisors and SHSY. Without the proposed schemes of arrangement, the Company would not be in a position to fulfill all its debts and liabilities, and accordingly, would not be able to prepare its financial statements for FY2016 on a going-concern basis. In the event the Company's proposed scheme of arrangement is not approved for whatsoever reasons, the Company would need to prepare its financial statements for FY2016 on a liquidation basis. Consequently, the Company would require additional time to value its assets and liabilities during the preparation of its financial statements.

The Company had also made an application to the Accounting and Regulatory Authority ("ACRA") for an extension of 3 months to hold its AGM for FY2016. The Company will provide updates on the status of its application with ACRA in due course.

By Order of the Board
EMS Energy Limited

Ting Teck Jin
Executive Chairman
3 April 2017

*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.*

The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.