

ANNOUNCEMENT

APPROVAL FOR AN EXTENSION OF TIME TO SUBMIT A RESUMPTION PROPOSAL PURSUANT TO RULE 1304(1) OF THE CATALIST RULES

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcement dated 22 September 2017 ("Previous Announcement").

The board of directors (the "Board") of EMS Energy Limited (the "Company" and together with its subsidiaries, the "Group") refers to the Previous Announcement in relation to the application for extension of time to submit a resumption proposal pursuant to Rules 1304(1) of the Catalist Rules (the "Time Extension").

The Company wishes to announce that the SGX-ST has on 19 October 2017 informed the Company that based on the information provided to the SGX-ST, it has no objection to granting the Time Extension for the Company to submit a trading resumption proposal by 25 September 2018.

The Time Extension is subject to:

- (a) The Company making an immediate announcement of the extension granted, disclosing the reasons for seeking the extension as soon as practicable as required under Catalist Rule 106;
- (b) Submission of a written confirmation from the Company that the Time Extension does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (c) Regular updates via SGXNET on its progress on the debt and business restructuring to the SGX-ST and investors.

Bases for the Time Extension

As announced by the Company on 22 September 2017, the bases for the Time Extension are as follows:-

- (a) The scheme of arrangement of the Company to restructure its debt obligations and liabilities (the "EEL Scheme") was approved at the creditors' meeting of the Company held on 28 July 2017. The High Court has subsequently sanctioned the EEL Scheme on 8 September 2017.

The EEL Scheme involves the issuance and allotment of new ordinary shares in the capital of the Company ("Scheme Shares") at S\$0.08 for each Scheme Share to a creditor whose claim against the Company has been partially or fully admitted by the scheme manager in accordance with the EEL Scheme in full satisfaction and complete discharge of all claims against the Company on or prior to 13 July 2017.

The issuance and allotment of Scheme Shares will be subject to, *inter alia*, the approval of the shareholders of the Company at an extraordinary general meeting to be convened and the approval-in-principle of the SGX-ST. As such, the Company would require more time to implement the EEL Scheme.

- (b) The subsidiary of the Company, EMS Energy Solutions Pte. Ltd. ("EES"), has proposed a fresh scheme of arrangement for consideration by its creditors pursuant to an order of Court dated 8 September 2017 ("EES Scheme"). A creditors' meeting is scheduled to be convened on 29 September 2017 for voting on the EES Scheme. Assuming the EES Scheme is approved, the time required for the implementation is approximately 12 months.

- (c) The Company is currently assessing the impact on the withdrawal of the scheme of arrangement by its subsidiary, Koastal Industries Pte Ltd ("KIPL") and considering to place KIPL in liquidation. The Company has assessed that the liquidation of KIPL is not expected to have any material impact to the Group. However, as KIPL is a creditor of the Company and will be receiving the Scheme Shares as payment for the outstanding, and EES is in turn a creditor of KIPL but a debtor to the Company; the Company expects that it will require between 9 months to 12 months for the Liquidator of KIPL to determine if there will be a distribution in specie to its creditors. This is to ensure that the said Scheme Shares will not ultimately be distributed in specie back to the Company through EES as EES is a creditor of KIPL but a debtor to the Company. Accordingly, the Company would require the time to assess if such distribution will occur and to formulate the appropriate orderly divestment strategy for such Scheme Shares.
- (d) As mentioned above, the EES Scheme is only scheduled to be convened on 29 September 2017 for voting. The outcome remains unknown. Given the uncertainty of the outcome, the Company would require time to also assess the likely impact to the Group should the proposed EES Scheme be approved or not approved by its creditors.
- (e) In order for the Company to negotiate with potential investor(s) with a view of investment in or injection of new business into the Group, the Company would have to implement the above EEL Scheme, EES Scheme and liquidation of KIPL. Furthermore, the Company would also require time to negotiate with potential investor(s) with a view to formulating and producing the Resumption Proposal for the submission to SGX-ST.

Please refer to the Company's announcements on the SGXNET for the updates on the EEL Scheme, EES Scheme and proposed liquidation of KIPL.

Confirmation by the Company

The Company will be submitting the written confirmation to SGX-ST that the Time Extension does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The Board will make further update as necessary.

By Order of the Board
EMS Energy Limited

Wong Chuen Shya
Company Secretary
19 October 2017

*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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