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ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION

1. INTRODUCTION

The Board of Directors ("**Board**") of EMS Energy Limited ("**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has entered into a non-binding memorandum of understanding dated 24 April 2015 ("**MOU**") with Mr. Ting Teck Jin and Mr. Ting Teck Seh ("**Vendors**") in relation to, *inter alia*, the proposed acquisition ("**Proposed Acquisition**") of the entire issued and paid-up share capital of an investment holding company to be formed, which shall own Koastal Pte Ltd and its subsidiaries ("**Target**", and together with its subsidiaries and associated companies, the "**Target Group**", and each, a "**Target Group Company**").

The MOU sets out certain terms and conditions which will form the broad basis of the definitive agreements, including a sale and purchase agreement, to be entered into in relation to the Proposed Acquisition.

The Proposed Acquisition constitutes:

(a) a very substantial acquisition as defined under Chapter 10 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), subject to, *inter alia*, approval of (i) the SGX-ST; and (ii) the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened ("**EGM**") pursuant to Rule 1015 of the Listing Manual; and

(b) an interested person transaction as defined under Chapter 9 of the Listing Manual and will be subject to approval of the Shareholders at the EGM pursuant to Rule 906 of the Listing Manual.

2. INFORMATION ON THE PROPOSED ACQUISITION

The information on the Target Group and the Vendors was provided by the Vendors. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

2.1 Information on the Target

The Target is a private investment holding company to be incorporated, which will hold Koastal Pte Ltd and its subsidiaries and associated companies. The Company and the Target Group are currently related, as Koastal Industries Pte Ltd ("**Koastal Industries**") currently holds 495,452,550 shares ("**Shares**") representing approximately 33.46% of the total share capital of the Company, making Koastal Industries a controlling shareholder of the Company as at the date of this Announcement.

The Target Group is principally engaged in providing engineering, procurement and construction management (EPCM) services, as well as installation, commissioning and rig and marine equipment repair services to marine and offshore oil and gas companies (the "**Target Business**"). The Vendors will undertake a restructuring of the Target Group's corporate structure, following which the corporate structure of the Target Group will be as set out in Schedule 1 of this Announcement.

The unaudited pro forma net tangible assets ("**NTA**") of the Target Group as at 31 December 2014 was approximately S$16.4 million and the unaudited pro forma net profit after tax of the Target Group for the financial year ended 31 December 2014 was approximately S$14.3 million.

2.2 Information on the Vendors

The Vendors are Mr. Ting Teck Jin and Mr. Ting Teck Seh, who will collectively own all the shares in the Target. Mr.Ting Teck Jin is the Executive Chairman and Chief Executive Officer of the Company. He has a direct interest of 18,000,000 Shares (approximately 1.22%) in the total share capital of the Company and is also deemed to be interested in the 495,452,550 Shares (approximately 33.46%) of the total share capital of the Company through his interest in the Target Group.

2.3 Rationale for and benefits of the Proposed Acquisition

The Group is involved in the manufacturing and custom fabrication services. The Target Group is engaged in the core businesses of providing EPCM services for the marine and offshore oil and gas industry, and trading as a distributor and agent of products for the marine and offshore oil and gas industry. It is also involved in providing environment-related technical services for pollution management, water and waste treatment and related projects in Vietnam.

The Group and the Target Group have always worked closely to leverage on their different services and strengths to tender for and implement larger marine, oil and gas projects. As a turnkey EPCM service provider, the Target Group often collaborates with the Group to execute marine, oil and gas projects. The Target Group has consistently been a major customer of the Group over the last three (3) financial years.

The Proposed Acquisition and merger of the two groups of companies is the next step of Mr. Ting Teck Jin's vision for the Target Group and the Group to create a turnkey EPCM service provider with both manufacturing and fabrication capabilities. The synergies between the Target Group and the Group will diversify the Group's earnings base and enhance long-term shareholder value. The Proposed Acquisition and merger of the two groups of companies will eliminate interested person transactions between the two groups and realign business strategies and future plans in the interest of the enlarged group.

In addition, the Proposed Acquisition would have the potential to significantly increase the market capitalisation of the Group and potentially widen its investor base, thereby enabling the Company to attract more extensive analyst coverage, leading to an overall increase in investor interest and trading.

2.4 Indicative Key Terms of the Proposed Acquisition

2.4.1 <u>Proposed Acquisition</u>

The Company will acquire 100% of the issued ordinary shares in the capital of the Target ("**Sale Shares**") from the Vendors.

2.4.2 <u>Consideration</u>

The aggregate consideration for the Sale Shares will be S$150.0 million ("**Consideration**"), to be satisfied in full by:

(a) cash payment of approximately S$24.3 million ("**Cash Consideration**") to the Vendors (and/or their designated nominees); and

(b) the balance amount of S$125.7 million shall be satisfied by the allotment and issuance by the Company to the Vendors (and/or their designated nominees) of up to 364,446,896 new Consolidated Shares (as defined below) in the Company ("**Consideration Shares**") at an issue price of S$0.345 per Consideration Share ("**Issue Price**") upon the completion of the Proposed Acquisition ("**Completion**").

The Consideration Shares shall be issued fully paid, and shall rank equally with all the Shares existing then.

The Consideration Shares represent approximately 369.2%[1] and 78.7%[2] of the existing share capital of the Company immediately after the Share Consolidation (as defined below) and prior to the Proposed Acquisition, and the enlarged share capital of the Company immediately after the completion of the Proposed Acquisition and Share Consolidation (as defined below), respectively.

The Issue Price of S$0.023 (on a pre-consolidation basis) for each Consideration Share represent:-

(a) 4.5% premium to the volume-weighted average price of S$0.022 of the Shares on 23 April 2015, being the last market day immediately preceding the date of the MOU; and

(b) 20.1% premium over the NTA per share of the Company as at 31 December 2014, assuming that the Share Consolidation had been completed.

The Parties agree that the Consideration may be satisfied in a different mix of Cash Consideration and Consideration Shares in the Definitive Agreements to be entered into (as defined below). In the absence of such a mutual agreement, the proportions set out above shall prevail. Both Parties agreed that the Cash Consideration will be used to offset against the Disposal Consideration (as defined herein) owing by the Vendors to the Target Group.

The Consideration was determined at arm's length on a willing-buyer willing-seller basis, taking into account:

(a) the current estimated valuation of the Target Group of US$143.1 million (approximately S$192.8 million[3]) based on the valuation report dated 15 April 2015 issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer ("**Valuation Report**"); and

(b) the business prospects, track record and competencies of the Target Group and the potential benefits arising from the Proposed Acquisition as elaborated in paragraph 2.3 of this Announcement.

A valuation report to be prepared by an independent valuer (the choice of whom is acceptable to the Company) will be set out in the Circular to be despatched by the Company to the Shareholders in due course.

2.4.3 Definitive Agreements

The Company and the Vendors agree to proceed in good faith and use their best endeavours to negotiate, finalise and enter into definitive agreements as soon as reasonably practicable, which shall include:

(a) a definitive sale and purchase agreement in relation to the Proposed Acquisition ("**Sale and Purchase Agreement**") which shall contain the material terms in the MOU, subject to such modifications and together with such other terms and conditions as may be agreed between the Company and the Vendors;

(b) documents in relation to the Restructuring (as defined below) and the Warrants Exchange (as defined below); and

(c) such other documents or agreements as may be necessary in connection with the Proposed Acquisition;

(collectively, the "**Definitive Agreements**").

[1] Calculated on the basis of 98,713,973 Consolidated Shares based on the existing issued share capital of the Company assuming that the Share Consolidation had taken place before the Proposed Acquisition.
[2] Calculated on the basis of 463,160,869 Consolidated Shares based on the enlarged share capital as at the date of this announcement, assuming the completion of the Proposed Acquisition and the Share Consolidation.
[3] Based on the exchange rate of US$1.00:S$1.3472 on 23 April 2015 *(Source: Bloomberg L.P.)*

In the event the Definitive Agreements are not entered into by 23 July 2015 (or such other date as may be mutually agreed between the parties), the provisions of the MOU (save for certain provisions relating to, *inter alia*, confidentiality and dispute resolution) shall cease and terminate, and no party shall have any claim against the other party for costs, damages, compensation or losses, save in respect of any antecedent breach of the MOU.

2.4.4 <u>Conditions Precedent</u>

Completion of the Proposed Acquisition shall be conditional upon, amongst others, the following conditions (collectively, the "**Conditions Precedent**"):

(a) the conduct of a due diligence exercise by the Company on the Target Group (including but not limited to financial, business, legal and regulatory aspects), and the results thereof being satisfactory in the reasonable opinion of the Company;

(b) the receipt of all necessary regulatory approvals in Singapore having been obtained, including those from the SGX-ST, and if such approval is subject to any conditions, such conditions being reasonably acceptable to the party to whom such approval applies, including but not limited to the receipt of approval-in-principle from the SGX-ST for the Proposed Acquisition and listing and quotation of the Consideration Shares on the Catalist of the SGX-ST;

(c) the approval of the independent Shareholders at the EGM for:

(i) the Proposed Acquisition and the issue and allotment of the Consideration Shares; and

(ii) the whitewash resolution for the waiver of the rights of the independent Shareholders to receive the mandatory general offer from the Vendors and their concert parties ("**Whitewash Resolution**");

(d) the receipt by the Target Group of any applicable third party consents or waivers in connection with the Proposed Acquisition, including but not limited to the change of control of each Target Group Company;

(e) the execution and delivery of the Definitive Agreements;

(f) the Share Consolidation (as defined below) having taken place;

(g) the Restructuring and the Warrants Exchange being completed to the satisfaction of the Company acting reasonably;

(h) the receipt of a whitewash waiver from the Securities Industry Council of Singapore ("**SIC**") in favour of the Vendors and parties acting in concert with the Vendors in respect of their obligation to make a mandatory general offer of the Company under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**") arising from or in connection with all transactions contemplated, and where such waiver is granted subject to any conditions, such conditions being acceptable to the Vendors;

(i) each of the representations and warranties of the Company and the Vendors remaining true and correct at all times from signing of the Sale and Purchase Agreement until (and including at) Completion; and

(j) there being no changes in the Target Group or to the Target Business, or in the financial, political and/or economic circumstances, that have caused or might cause a material adverse effect on the business, operations, assets, financial condition, turnover or prospects of the Target Group ("**Material Adverse Change**"), and Completion shall not cause any Material Adverse Change.

2.4.5 Restructuring

The Vendors shall procure that the Target Group undertakes a restructuring exercise in order to implement the corporate structure set out in Schedule 1 ("**Restructuring**") before completion of the Proposed Acquisition.

As part of the Restructuring, the Target Group will dispose of its equity interest in the non-core subsidiaries and associated companies set out below (the "**Disposal Group**") to the Vendors (and/or their designated nominees) prior to the completion of the Proposed Acquisition. The Disposal Group will be transferred based on the carrying amount in investment for the following companies as at 31 December 2014 (the "**Disposal Consideration**"), as adjusted for any further capital contributions made since then.

Company name	Equity interest held by the Target Group
EMS Energy Limited	33.46%
NVS Holdings Pte. Ltd.	52.76%
NVS (Singapore) Pte. Ltd.	77.00%
Nosco-Vinalines Ship Repair Company	46.14%

The Shares in the Company will be transferred to the Vendors (and/or their designated nominees) to avoid a breach of Section 21 of the Companies Act, which prohibits a subsidiary from holding shares in its parent company. Following the Proposed Acquisition, the Target Group will be subsidiaries of the Company.

2.4.6 Warrants Exchange

The Vendors and the Company shall procure in a timely manner, and in any event prior to Completion, that the warrants issued by Koastal Pte Ltd to Philip Ventures Enterprise Fund 3 Ltd. and Venstar Investments II Ltd. (collectively, the "**Warrantholders**") are replaced by warrants to be issued by the Company convertible into shares of the Company in the following manner:

(a) the Company agrees that as part of the Proposed Acquisition, the Warrantholders may exchange their existing warrants for new warrants convertible into shares of the Company; and

(b) the Warrantholders agree to cancel their existing warrants in exchange for new warrants convertible into shares of the Company, on terms substantially similar to the existing warrants in Koastal Pte Ltd to the extent possible, subject to compliance with the laws and regulations applicable to the Company,

(the "**Warrants Exchange**").

2.4.7 Rebranding of the Enlarged Group

The Vendors shall grant the Company an exclusive, royalty-free licence to use the "Koastal" trade name and trade marks for 3 years ("**Rebranding Period**") from the completion of the Proposed Acquisition ("**Brand Licence**").

During the Rebranding Period, the Company will undertake a rebranding exercise for the enlarged group, following which it will cease to use the "Koastal" trade name and associated trade marks, which shall continue to reside with the Vendors.

2.4.8 Undertakings, covenants, representations and warranties

The Definitive Agreements shall contain undertakings, covenants, representations and warranties from the Vendors and the Company customary for transactions of this nature.

2.5 Financial Effects of the Proposed Acquisition

The financial effects of the Proposed Acquisition on the NTA and earnings of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**") (being the latest available information prior to the date of this announcement) and the unaudited pro forma financial statements of the Target Group for FY2014. The pro forma financial effects of the Proposed Acquisitions are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the enlarged group following Completion.

For the purposes of illustrating the financial effects of the Share Consolidation (as defined below) and the Proposed Acquisition (collectively the **"Proposed Transactions**"), the financial effects have been prepared based on, *inter alia*, the following assumptions:

(a) the financial effects of the Proposed Transactions on the NTA of the Group are computed assuming that the Proposed Transactions had taken place on 31 December 2014;

(b) the financial effects of the Proposed Transactions on the earnings and earnings per Share ("**EPS**") of the Group are computed assuming that the Proposed Transactions had been completed on 1 January 2014;

(c) the share consolidation of every fifteen Shares into one (1) Consolidated Share, fractional entitlements to be disregarded; and

(d) the expenses in connection with the Proposed Transactions are disregarded for the purposes of calculating the financial effects.

2.5.1 NTA per Share

S$'000	**Before the Proposed Transactions**	**After the Share Consolidation**	**After the Proposed Acquisition**
NTA attributable to the equity holders of the Group as at 31 December 2014	28,352	28,352	44,777
Number of Shares (or Consolidated Shares, as the case may be)	1,480,709,604	98,713,973	463,160,869
NTA per Share (or Consolidated Shares, as the case may be) (cents)	1.91	28.7	9.67

2.5.2 EPS

	Before the Proposed Transactions	**After the Share Consolidation**	**After the Proposed Acquisition**
Group profits after tax (S$'000)	825	825	15,095
Number of Shares (or Consolidated Shares, as the case may be)	1,480,709,604	98,713,973	463,160,869
EPS (cents)	0.06	0.84	3.26

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2.6 The Proposed Acquisition as a Very Substantial Acquisition

The Proposed Acquisition is governed by the rules in Chapter 10 of the Listing Manual. Based on the audited consolidated financial statements of the Group for FY2014, the relative figures of the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (e) of the Listing Manual are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value(1)	N.A.
(b)	The net profits(2) of approximately S$17,566,000 attributable to the Target Group, compared with the Group's net profits of approximately S$825,000 for FY 2014	2,129.2%
(c)	The Consideration of S$150.0 million compared with the Company's market capitalisation of approximately S$32.6 million as at 23 April 2015, being the last market day the Shares were traded on the SGX-ST immediately preceding the date the MOU was executed(3)	460.5%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue(4)(5)	369.2%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	N.A.

Notes:

(1) This is not applicable to an acquisition of assets.

(2) Under Rule 1002(3) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items. The net profit of the Target Group is based on unaudited pro forma financial statements for FY2014 and the net profit of the Group is based on audited consolidated financial statements for FY2014.

(3) The market capitalisation of the Company was determined by multiplying the number of total issued Shares, being 1,480,709,604 Shares (excluding treasury shares), by S$0.022 (being the volume- weighted average traded price of such Shares on 23 April 2015, being the last market day immediately preceding the date of the MOU. (Source: Bloomberg)

(4) Based on the issue of the maximum number of 364,446,896 Consideration Shares.

(5) The number of equity securities in issue assumes that the Proposed Share Consolidation had been effected immediately after the close of trading on the last market day immediately preceding the date of the MOU.

As the relative figures under Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual exceed 100%, and the Proposed Acquisition will not result in a change in control of the Company[3], the Proposed Acquisition would constitute a very substantial acquisition under Rule 1015 of the Listing Manual.

Accordingly, the Proposed Acquisition shall be conditional upon, *inter alia*, the approval of the SGX-ST and the Shareholders being obtained pursuant to Rule 1015 of the Listing Manual.

[3] There is no change of control as Mr. Ting Teck Jin, one of the Vendors, is already an existing controlling shareholder of the Company as at the date of this announcement.

2.7 Waiver from the SIC

Following completion of the Proposed Acquisition and Share Consolidation, and based on the Company's enlarged share capital of 463,160,869 Consolidated Shares, the Vendors will own an aggregate interest of approximately 86.1% of the enlarged share capital of the Company. In such event, pursuant to Rule 14 of the Code, the Vendors and their concert parties will incur an obligation to make a mandatory general offer for all the remaining issued Shares not already owned, controlled or agreed to be acquired by them. As such, the Vendors will be seeking a waiver of the obligation of the Vendors and their concert parties to make a mandatory general offer under Rule 14 of the Code from the SIC.

3. INTERESTED PERSON TRANSACTION ("IPT")

3.1 Details of the Interested Person

The Proposed Acquisition is an IPT as the Vendors are "interested persons" for the purposes of Chapter 9 of the Listing Manual for the following reasons:

(a) as at the date of this announcement, Mr. Ting Teck Jin (who is one of the Vendors) is a controlling shareholder of the Company due to his direct interest of 1.22% in the Company as well as his deemed interest in the 33.46% shareholding interest in the Company held by Koastal Industries Pte Ltd, and Mr. Ting Teck Seh is the brother of Mr. Ting Teck Jin; and

(b) Mr. Ting Teck Jin is also the Executive Chairman and Chief Executive Officer of the Company.

3.2 Materiality thresholds under Chapter 9

3.2.1 Under Chapter 9 of the Listing Manual, Shareholders' approval is required for an interested person transaction of a value equal to, or exceeding, 5% of the Group's latest audited NTA.

3.2.2 The value of the Proposed Acquisition (being the amount at risk to the Company) is S$150.0 million. The Group's latest audited NTA as at 31 December 2014 is approximately S$28.4 million. As the value of the Proposed Acquisition against the Group's latest audited NTA is 529.1%, which exceeds 5% of the Group's latest audited NTA, the approval of the Shareholders for the Proposed Acquisition has to be obtained at the EGM.

3.3 Total Value of IPTs

For FY2014, the aggregate value of the IPTs entered into by the Group with the Target Group, of which Mr. Ting Teck Jin is the controlling shareholder and managing director, is S$30,372,000. These IPTs were conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules. There were no other IPTs involving the Group with other interested persons for FY2014 (excluding transactions less than S$100,000).

As at the date of this announcement, the aggregate value of the IPTs entered into by the Group with the Target Group, of which Mr. Ting Teck Jin is the controlling shareholder and managing director, is approximately S$14.0 million for the period from 1 January 2015 to the date of this announcement. There are no other IPTs involving the Group with other interested persons for the period from 1 January 2015 to the date of this announcement (excluding transactions less than S$100,000).

3.4 Rationale for and benefit to the Company

Please refer to paragraph 2.3 above where the rationale for and the benefit to the Company for the Proposed Acquisition is set out.

3.5 Audit Committee's Statement

The Audit Committee of the Company comprises Mr. Lim Siong Sheng, Mr. Lim Poh Boon and Mr. Ung Gim Sei, who are all independent non-executive directors. The Chairman of the Audit Committee is Mr. Lim Siong Sheng. The members of the Audit Committee do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for the purposes of the Proposed Acquisition.

The Audit Committee will form its view as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders after considering the independent financial adviser's opinion to be obtained in due course. The Audit Committee's view on the Proposed Acquisition will be set out in the Circular (as defined below).

4. THE PROPOSED SHARE CONSOLIDATION

4.1 Share Consolidation

In connection with the Proposed Acquisition, the Company will undertake a consolidation ("**Share Consolidation**") of all its Shares on the basis of every fifteen (15) existing Shares into one (1) consolidated share ("**Consolidated Share**").

Subject to Shareholders' approval being obtained for the Share Consolidation, the Share Consolidation is intended to take effect on or before Completion. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they are entitled to, based on their holdings of Shares as at the books closure date that will be determined by the Board ("**Books Closure Date**"), will be rounded down to the nearest whole Consolidated Share and any fractions of a Share arising from the Share Consolidation shall be disregarded. Fractions of a Consolidated Share arising from the Share Consolidation will be aggregated and dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company.

As at the date of this announcement, the Company has an existing share capital of 1,480,709,604 Shares. On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date, the Company will have a share capital of 98,713,973 Consolidated Shares (fractional entitlements to be disregarded) upon completion of the Share Consolidation.

On the assumption that the Share Consolidation has been completed, upon Completion of the Proposed Acquisition and the issue of 364,446,896 Consideration Shares by the Company to the Vendors, the Company will have an issued share capital comprising a total of 463,160,869 Consolidated Shares.

4.2 Rationale for the Share Consolidation

The Board believes that the Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding and the trading price per Consolidated Share should theoretically be higher than the trading price per Share prior to the Share Consolidation. If the price per Consolidated Share is indeed higher than the trading price per Share prior to the Share Consolidation, the Share Consolidation may also increase the profile of the Company amongst investors and the coverage of the Company by research houses. This may, in turn, increase market interest and activity in the Consolidated Shares, and generally make the Shares more attractive to investors, including institutional investors for capital raising purposes and thus providing a more diverse shareholder base. In addition, the reduction in the number of Shares will allow for more efficiency in administering corporate actions by the Company.

4.3 Conditions for the Share Consolidation

The Share Consolidation is subject to specific approval by the Shareholders at the EGM, and approval from the SGX-ST for the listing and quotation of the Consolidated Shares on the Catalist of the SGX-ST.

5. PROFORMA FINANCIAL INFORMATION OF THE TARGET GROUP

Please refer to Schedule 2 of this announcement for the unaudited proforma financial information of the Target Group for the financial years ended 31 December 2012 ("**FY2012**"), 31 December 2013 ("**FY2013**"), and 31 December 2014 ("**FY2014**").

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr. Ting Teck Jin and Koastal Industries Pte. Ltd., none of the directors of the Company or controlling Shareholders has any interests, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests in the Company.

7. INDEPENDENT FINANCIAL ADVISER

The Company will appoint an independent financial adviser to the independent Shareholders and the independent directors of the Company in connection with the Whitewash Resolution and the IPT respectively in due course.

8. FURTHER INFORMATION

8.1 Announcement

The Company will make further announcements to inform Shareholders of the final terms of the Proposed Acquisition when the Definitive Agreements are signed.

8.2 Circular

Subject to SGX-ST's approval, a circular setting out, *inter alia*, the terms of the Proposed Acquisition, the opinion and recommendation of the independent financial adviser in relation to the IPT and the Whitewash Resolution, and the terms of the proposed Share Consolidation, together with a notice of EGM ("**Circular**"), will be despatched by the Company to the Shareholders in due course.

8.3 Documents for Inspection

Copies of the following documents will be made available for inspection during normal business hours at the registered office of the Company at 1 Robinson Road #17-00 AIA Tower Singapore 048542, for a period of three months from the date of this announcement:

(a) the MOU; and

(b) the Valuation Report.

9. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares as the Proposed Acquisition and Share Consolidation are subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition and Share Consolidation will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and Share Consolidation.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. RESPONSIBILITY STATEMENT

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

By Order of the Board
EMS Energy Limited

Gwendolyn Gn Jong Yuh
Company Secretary
24 April 2015

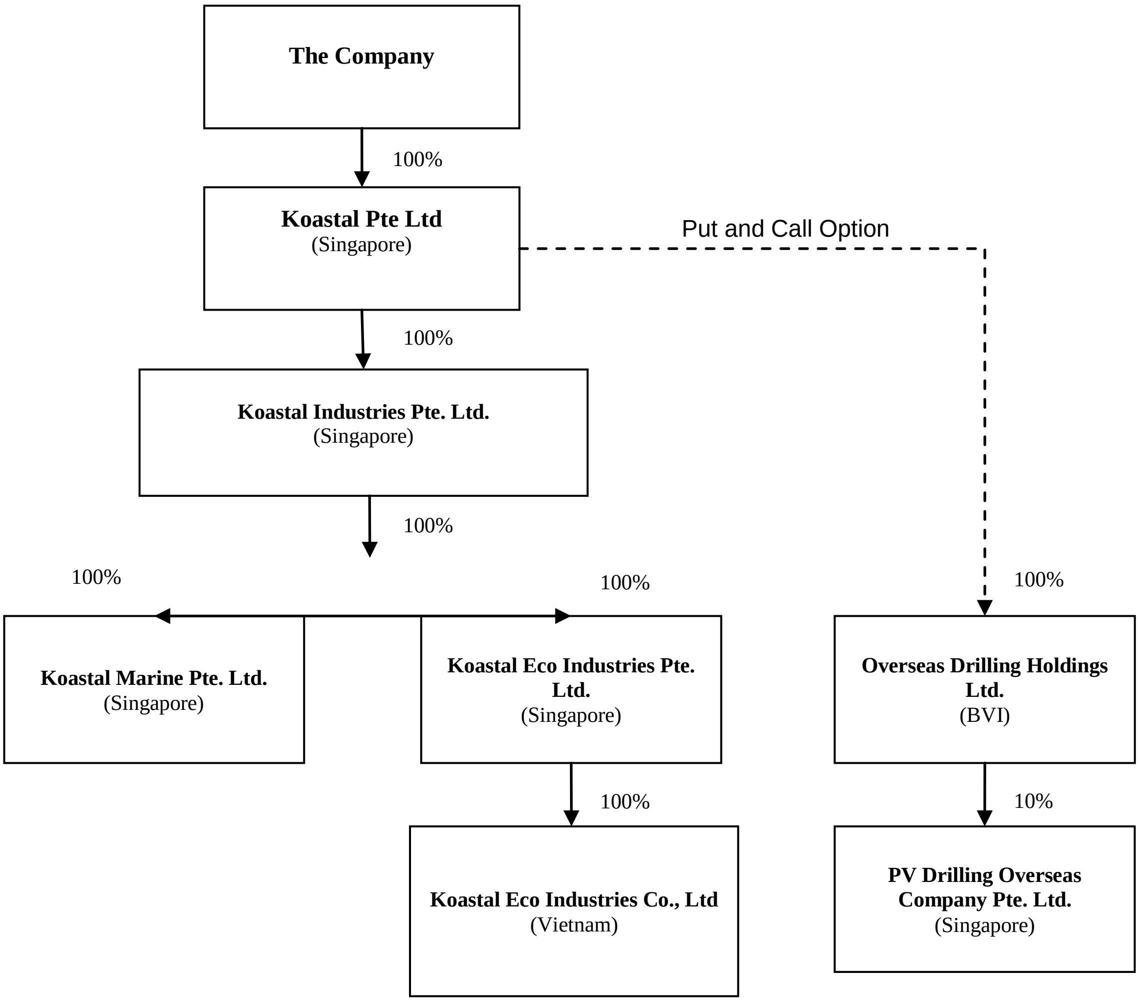
This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified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

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

The contact person for the Sponsor is Mr Alvin Soh, at 8 Anthony Road #01-01 Singapore 229957, telephone (65) 6590 6881.

SCHEDULE 1

GROUP STRUCTURE OF THE TARGET GROUP AS AT THE DATE OF COMPLETION



SCHEDULE 2

UNAUDITED PROFORMA FINANCIAL INFORMATION OF THE TARGET GROUP

A summary of the unaudited pro forma financial information of the Target Group for each of FY2012, FY2013 and FY2014 and a summary of the unaudited pro forma balance sheet of the Target Group as at 31 December 2014, are set out below:-

Summary of the unaudited pro forma income statement of the Target Group

		Unaudited	
S$' million	**FY2012**	**FY2013**	**FY2014**
Revenue	35.6	25.4	93.1
Profit/(Loss) before tax	2.8	(2.3)	17.6
Profit/(Loss) after tax	2.6	(2.0)	14.3

Summary of the unaudited pro forma statement of financial position of the Target Group for the financial year ended 31 December 2014

S$' million	**Unaudited As at 31 December 2014**
Current assets	90.0
Non-current assets	34.5
Current liabilities	96.9
Non-current liabilities	11.2
Net assets	16.4