

## ANNOUNCEMENT

### UPDATE PURSUANT TO RULE 704(22) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED SECTION B: RULES OF CATALIST (“CATALIST RULES”)

Unless otherwise defined herein, all capitalized terms have the same meanings as defined in the Company’s announcements dated, inter alia, 13 January 2017, 15 November 2016, 14 October 2016 and 23 September 2016 (“**Previous Announcements**”).

The board of directors (the “Board”) of EMS Energy Limited (the “Company” and, together with its subsidiaries, the “Group”) refers to the Company’s Previous Announcements on:-

- (a) 13 January 2017 in relation to EMS Energy Solutions Pte. Ltd. (“**EES**”), a wholly-owned subsidiary of the Group who had, on 13 January 2017 received a letter from Jurong Shipyard Pte. Ltd. (“**JSPL**”) terminating a Purchase Contract for the supply, supervision of installation, testing, and commissioning of the Anchor Winch System Package and had also made a claim under a bank guarantee furnished by EES to JSPL for the sum of SGD110,000 (the “Termination Letter”). The Company is currently seeking legal advice in relation to (i) its recourse against JSPL including compensation for components/goods that had been delivered under this Contract; and (ii) the claim for compensation for non-performance from the sub-contractors that EES has engaged for this Contract. The Company will provide updates on further developments at the appropriate juncture.
- (b) 15 November 2016 in relation to Koastal Industries Pte. Ltd. (“**KIPL**”), a wholly-owned subsidiary of the Group who had, on 10 November 2016 received a notice from legal advisers acting for 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 Company had, on 12 January 2017, sent a counter proposal to SHSY via SHSY’s solicitors. As it is currently festive season, the Company expects SHSY to only reply with their comments probably in the next few weeks. The Company will provide updates on further developments at the appropriate juncture.
- (c) 14 October 2016 in relation to the updates on claims and legal proceedings against the Group. As at the latest date, the status of the claims and legal proceedings are as follows:

Lender / Claimant	Amount Owing	Status with reference to the Previous Announcements	Update(s)
United Overseas Bank Limited (“ <b>UOB</b> ”) (secured creditors – against a property held by the Group (“the <b>Property</b> ”))	S\$5.6 million	The Group is in the process of preparing for an Extraordinary General Meeting (“ <b>EGM</b> ”) to be convened by end February 2017 to seek the shareholders’ approval of the disposal of the Property. The proceeds from the disposal of the Property will be utilised for the repayment of the UOB loans.	The Company will provide updates on the EGM by 13 February 2017.
Other unsecured bank borrowings	S\$3.5 million	Pending the outcome of the next Court Hearing fixed on 7 February	The Company will provide updates on further developments at

		2017 <sup>(1)</sup> .	the appropriate juncture.
Trade and other creditors	S\$12.4 million	Pending the outcome of the next Court Hearing fixed on 7 February 2017 <sup>(1)</sup> .	The Company will provide updates on further developments at the appropriate juncture.

Since the announcement released on 14 October 2016 in relation to the updates on claims and legal proceedings against the Group, the Group has received another demand letter from a trade creditor claiming for approximately S\$5,000.

No payment has been made on these amounts as at the date thereof.

Note:

- (1). As stated in the announcement released by the Company on 19 January 2017, the High Court of the Republic of Singapore (“**Court**”) has granted the Company, Koastal Industries Pte. Ltd. (“**KIPL**”) and EMS Energy Solutions Pte. Ltd. (“**EES**”) (collectively, the “**Applicants**”) an interim moratorium under section 210(10) of the Companies Act which restrains, for a period until 10 February 2017 or until the Court 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 of KIPL and EES shall be at liberty to enforce their security interest under any security provided by KIPL and EES to the secured creditors as they deem fit in their sole discretion.

By Order of the Board  
EMS Energy Limited

Ting Teck Jin  
Executive Chairman  
6 February 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.*