

ANNOUNCEMENT

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITORS ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

In compliance with Rule 704(4) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, 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's Independent Auditors, BDO LLP, have included a disclaimer of opinion on the consolidated financial statements of the Group in their Independent Auditors' Report dated 12 April 2019 (the "**Independent Auditors' Report**") in relation to the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2018 ("**FY2018**") (the "**Financial Statements**").

A copy of the Independent Auditors' Report together with the relevant extract of Note 4 to the Financial Statements are attached to this announcement for information.

The Board is of the opinion that the continuing use of the going concern assumption in the preparation of the Financial Statements is appropriate having regard to the following: (i) The management is confident that it will be able to successfully complete the implementation of the SOA of the Company and EES, and thus significantly reducing the Company's liabilities; (ii) The Company had made an announcement on the proposed acquisition of 52.76% of the issued and paid up share capital of Nosco Shipyard Joint Stock Company. This proposed acquisition attempts to inject a new revenue stream that the Group needs to exhibit that it will be able to generate sufficient cash flow going forward to continue in operation; (iii) The Company is actively pursuing potential investors/partners to resume the construction work on the yard with the aim to commence operations as soon as possible. Management is confident that they will be successful in securing the necessary investment to complete the yard. (iv) The Company is also exploring other opportunities that could satisfy the going concern and business viability issues and would make an announcement when necessary.

The Board confirms that all material disclosures have been provided by the Company via the announcements on the SGXNET.

This announcement is to be read in conjunction with the attached Independent Auditors' Report and the Financial Statements. Shareholders of the Company are advised to refer to the entire Financial Statements included in the Company's annual report for FY2018, which will be dispatched in due course.

The trading of the Company's shares has remained suspended since 26 September 2016.

By Order of the Board
EMS Energy Limited

Wee Woon Hong
Company Secretary
12 April 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 Catalist. 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.

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.