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ANNOUNCEMENT

ACQUISITION OF THE ENTIRE SHARE CAPITAL OF INTERNATIONAL OFFSHORE EQUIPMENTS PTE LTD

1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of EMS Energy Limited (the "**Company**") and together with its subsidiaries (the "**Group**") wishes to announce that the Company through its wholly-owned subsidiary, EMS Offshore Pte Ltd, has on 28 April 2014 entered into a conditional sale and purchase agreement (the "**SPA**") to acquire the entire share capital of International Offshore Equipments Pte Ltd (the "**Target**") (the "**Acquisition**") at the consideration of S$800,000 (the "**Consideration Amount**"), which shall be satisfied by way of allotment and issuance of new shares in the capital of the Company (the "**Consideration Shares**") to the vendors (and/or their nominees) upon completion of the Acquisition. The Consideration Amount was arrived at after arms' length negotiations and on a willing buyer and willing seller basis, taking into consideration the audited net assets value of the Target, confirmed order book of the Target and also the potential sales orders of the Target. The Acquisition is not expected to have a material financial impact on the net tangible assets and the earnings per share of the Company for the financial year ending 31 December 2014 ("**FY 2014**").

The vendors, to whom the Consideration Shares will be issued, are the founders and the existing directors of the Target, Mr Ng Kwang Choo and Mr Anandha Raj Komala. The vendors are unrelated third parties to the Company, its directors and substantial shareholders and are not persons set out in Catalist Rule 812.

The issue price for the Consideration Shares is S$0.0614 and 13,029,316 Consideration Shares will be issued to the vendors upon completion of the Acquisition. The Consideration Shares represent (i) approximately 1.8% of the existing issued share capital of the Company; and (ii) approximately 1.7% of the Company's issued share capital as enlarged by the issue of the Consideration Shares. The Consideration Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting held on 26 April 2014, which has not been used since granted (the "**General Mandate**"). The maximum number of Shares which may be allotted and issued under the General Mandate is 370,177,401 shares. Upon issuance of the Consideration Shares, the balance number of shares or instruments which may be issued by the Company pursuant to the General Mandate is 357,148,085 Shares, or approximately 96.48% of the General Mandate. The Company will submit an additional listing application to the SGX-ST for the listing and quotation of the Consideration Shares in connection with the Acquisition.

The Target is a private company incorporated in Singapore with its main business that of manufacturing and sale of marine and offshore deck machineries such as cranes and winches, mechanical and engineering works, including custom design, fabrication and upgrading of steel structures and site installation, custom design of electrical panels and control systems. Upon completion of the Acquisition, the Target will become a wholly-owned subsidiary of the Company. The unaudited net assets value of the Target is approximately S$476,700 as at 31 December 2013.

The Board is of the view that the Acquisition is in the interest of the Group as the Acquisition allows the Group to consolidate the players and accelerate the focus in the growth of its business units. Besides, it will also consolidate the order books and sales track records of the Target. The current management team and key employees of the Target will sign new service agreements with the Target in conjunction with the Acquisition.

The Acquisition is subject to the following conditions, inter alia:

(a) The Target obtaining such approval(s) from their respective board of directors and/or shareholders in connection with the SPA and the transactions contemplated therein as may be necessary;

(b) The Group obtaining such approval(s) from its boards of directors, shareholders and the Sponsor and/or the SGX-ST in connection with the SPA and the transactions contemplated therein as may be necessary;

(c) The completion and satisfactory outcome, of all financial and legal due diligence investigations (the "**Due Diligence Investigations**") by the Group and its professional advisers into the financial, contractual, environmental, tax and prospects, of the Target and title to its assets;

(d) The results of the Due Diligence Investigations, being satisfactory to the Group in its absolute discretion; and

(e) The provision of the audited accounts for the Target for the year ended 31 July 2012.

There are no directors who are proposed to be appointed as a director of the Company in connection with the Acquisition.

As part of its future plans for growth, the Company intends to explore further merger and acquisition activities and that the Company will be looking out actively for more opportunities which will provide added synergy to our business.

2. RELATIVE FIGURES FOR THE ACQUISITION

The relative figures computed on bases as set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST, and based on the audited consolidated financial statements of the Group for FY2013 and the unaudited financial statements of the Target as at 31 December 2013, are as follows:

(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	Net profits/(loss) attributable to the assets acquired or disposed of, compared with the Group's net profits.(1)	4.0%
(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.(2)	1.7%
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue. (3)	1.8%
(e)	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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

Notes:

(1) Derived based on the unaudited net profit of the Target of approximately S$163,000 for the financial period ended 31 December 2013 ("**FY2013**") and the audited net profit of the Group of S$4,059,000 for FY2013.

(2) The Company's market capitalisation is derived by multiplying the existing 740,354,802 shares in issue by the closing price of such shares transacted on 25 April 2014 being the full market day prior to the day on which the SPA is signed. The Consideration Amount for the Acquisition is S$800,000.

(3) The number of Consideration Shares to be issued by the Company is 13,029,316 shares while the existing issued share capital of the Company prior to the issuance of the Consideration Shares comprises of 740,354,802 shares.

As none of the relative figure under the base set out in Catalist Rule 1006 as computed above exceeds 5%, the Acquisition is a non-discloseable transaction under Chapter 10 of the Catalist Rules.

3. FINANCIAL EFFECTS OF THE ACQUISITION

For illustrative purposes only, the financial effects of the Acquisition on the net tangible assets per share and earnings per share of the Group, based on the audited consolidated financial statements of the Group for FY2013 and the unaudited financial statements of the Target are set out below.

Effects on net tangible assets per share

Had the Acquisition been effected on 31 December 2013, the financial effect on the net tangible assets of the Group is as follows:

	Before Acquisition	**After Acquisition**
Net tangible assets (S$'000)	12,465	12,942
Number of issued shares	740,354,802	753,384,118
Net tangible assets per share (cents)	1.68	1.72

Effects on earnings per share

Had the Acquisition been effected on 1 January 2013, the financial impact on the Company's earnings per share for FY2013 is as follows:

	Before Acquisition	**After Acquisition**
Profit attributable to equity holders of the Company (S$'000)	4,059	4,222
Weighted average number of issued shares	645,354,802	658,384,118
Earnings per share (cents)	0.63	0.64

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Acquisition. No representation is made as to the actual financial position and/or results of the Group after completion of the Acquisition.

4. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest in the Acquisition, save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

	Before Acquisition					After Acquisition				
	Direct interest		Deemed interest		Total Interest	Direct interest		Deemed interest		Total Interest
	Number of Shares	%	Number of Shares	%	%	Number of Shares	%	Number of Shares	%	%
Directors										
Ting Teck Jin[1]	9,000,000	1.22%	247,726,275	33.46%	34.68%	9,000,000	1.19%	247,726,275	32.88%	34.07%
Lim Poh Boon	10,000,000	1.35%	-	-	1.35%	10,000,000	1.33%	-	-	1.33%
Ung Gim Sei	-	-	-	-		-	-	-	-	
Lim Siong Sheng	-	-	-	-		-	-	-	-	
Substantial Shareholders (other than Director)										
Koastal Industries Pte Ltd[1]	247,726,275	33.46%	-	-	33.46%	247,726,275	32.88%	-	-	32.88%
Asian Trust Investment Pte Ltd[2]	55,000,000	7.43%	-	-	7.43%	55,000,000	7.30%	-	-	7.30%

Notes:

(1) Mr Ting Teck Jin is deemed interested in the shares held by Koastal Industries Pte Ltd of which Mr Ting is a controlling shareholder and director.

(2) Mr Pai Keng Pheng and Mr Pai Kheng Hian are deemed interested in the shares held by Asian Trust Investment Pte Ltd.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the conditional sale and purchase agreement is available for inspection during normal business hours at the Company's registered address at 1 Robinson Road #17-00, AIA Tower, Singapore 048542 for a period of three (3) months from the date of this announcement.

By Order of the Board
EMS Energy Limited

Gwendolyn Gn Jong Yuh
Company Secretary
28 April 2014

This announcement has been prepared by the Company and reviewed by the Company's sponsor, CNP Compliance Pte. Ltd.("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 including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in 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 correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is:-

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