

UPDATE ON THE LETTER OF DEMAND FROM JTC CORPORATION ON TUAS SOUTH PREMISES

The board of directors ("**Board**") of EMS Energy Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 6 May 2019 on the letters of demand from Jurong Town Corporation ("**JTC**") in relation to the premises at Tuas South Street 15 (the "**Premises**") leased by the Company ("**Announcement**").

Further to the Announcement, the Board wishes to announce that the lease on the Premises has terminated and the Premise was vacated on 6 June 2019. The Company is currently negotiating for a repayment scheme on the rental arrears with JTC as well as other charges such as damages, reinstatement works and property tax. There were no activities at the Premises since 2016 and the Company has no future plans requiring the Premises. As such, there is no material impact on the operations of the Group after returning the Premises to JTC.

The Company had on 20 February 2014 entered into a tenancy agreement with JTC for the lease of the Premises for 16 years and 8 months commencing from 1 May 2014. Since the entry into the tenancy agreement, the Company has capitalised the cost of S\$10,749,629.86 for the construction of the waterfront facility on the Premises.

In view that the Premises have been returned to JTC, the Company has assessed and concluded that the cost of construction of S\$10,749,629.86 relating to the Premises which was previously capitalised will be written off. As such, the return of the Premises to JTC is expected to have a material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2019.

BY ORDER OF THE BOARD
EMS Energy Limited

Wee Woon Hong
Company Secretary

6 June 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 relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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