

ANNOUNCEMENT

APPLICATION FOR A FURTHER EXTENSION OF TIME TO SUBMIT A RESUMPTION PROPOSAL PURSUANT TO RULE 1304(1) (THE “FURTHER TIME EXTENSION”)

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company’s announcement dated 25 September 2018 (“**Previous Announcement**”).

The board of directors (the “**Board**”) of EMS Energy Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Previous Announcement in relation to the application for further extension of time to submit a resumption proposal pursuant to Rule 1304(1) of the Catalist Rules (the “**Further Time Extension**”).

The Company wishes to announce that on 19 November 2018, the Company has received a letter from the SGX-ST setting out that based on the information provided to the SGX-ST, SGX-ST has no objection to granting the Company a further time extension of up to **31 December 2018** for the Company to enter into binding agreement(s) with investor(s) to address issues pertaining to its financial and business viability as well as demonstrate its ability to operate as a going concern (the “**Milestone Extension**”).

The Milestone Extension is subject to:

- (a) The Company announcing the waiver granted, the reasons for seeking the waiver; the conditions as required under Catalist Rule 106 and if the waiver conditions have been satisfied. If the waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when conditions have all been met;
- (b) The Company announcing that it may face delisting in the event it does not enter into binding agreement(s) by 31 December 2018 to address issues pertaining to financial and business viability as well as demonstrate its ability to operate as a going concern, with a view to lifting trading suspension;
- (c) Regular updates via SGXNET on its progress and execution of agreement(s) for the purpose of the resumption of trading proposal; and
- (d) Submission of a written confirmation from the Company that the time extension does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The Company is required to seek a Further Time Extension when there is greater clarity on the time required to submit a resumption proposal once the Company has achieved the requirement pursuant to the Milestone Extension.

In arriving at the decision, the Exchange took into account the on-going Schemes of Arrangement which are pending implementation and the projected time required by the Company to concretize various investment contract(s) with potential investor(s).

Reasons for Company to seek for waiver

- (a) The scheme of arrangement of the Company to restructure its debt obligations and liabilities (the “**EEL Scheme**”) was approved at the creditors’ meeting of the Company held on 28 July 2017. The High Court has subsequently sanctioned the EEL Scheme on 8 September 2017. The EEL Scheme involves the issuance and allotment of new ordinary shares in the capital of the Company (“**Scheme Shares**”) at S\$0.08 for each Scheme Share to a creditor whose claim against the Company has been partially or fully admitted by the scheme manager in accordance with the EEL Scheme in full satisfaction and complete discharge of all claims against the Company on or prior to 13 July 2017.

The issuance and allotment of Scheme Shares will be subject to, *inter alia*, the approval of the shareholders of the Company at an extraordinary general meeting to be convened and the approval-in-principle of the SGX-ST for the resumption of trading of Company's shares. However, the implementation of EEL Scheme was delayed as the Company's effort in seeking investor(s) to invest in or inject new business into the Group for the purpose of trading resumption was not successful.

- (b) A subsidiary of the Company is currently negotiating a term contract to supply its technical personnel to a shipyard. The term contract which is expected to sign in November 2018 will provide monthly cash inflow of S\$60,000. With this contract, there will be opportunity for the Company to solicit for more businesses ranging from engineering to procurement which are within its existing expertise.
- (c) As announced on 5 September 2018, the non-binding term sheet with a potential investor in relation to a proposed placement and injection of new business into the Group did not materialize. In order for the Company to negotiate with new potential investor(s) with a view of investment in or injection of new business into the Group, the Company would have to implement the above EEL Scheme. Furthermore, the Company would also require time to negotiate with potential investor(s) with a view to formulating and producing the Resumption Proposal for the submission to SGX-ST. As at the date of this application, the Company is still in negotiation with potential investors.
- (d) The Company would also require time to implement the EEL Scheme after the potential investor(s) have been identified. This is in the interest of the shareholders for the aforementioned arrangements to be in place prior the resumption of trading of Company's shares so as to ensure that the Company has sufficient working capital for sustainable business moving forward.
- (e) Since the previous extension application in September 2017, the Company has appointed liquidators on 24 October 2017 to wind up its subsidiary, Koastal Industries Pte. Ltd, and obtained Court sanction for the scheme of arrangement of its subsidiary, EMS Energy Solutions Pte Ltd, on 31 July 2018. The Company had also released all its delayed financial results announcements and annual report for the financial ended 31 December 2017 within the extended deadlines granted by the SGX-ST. Further, the Company has been actively seeking and in negotiation with potential investor(s) to invest in or inject new business into the Group. However, the negotiations were not successful. Please see below the list of potential investors and the reason for not proceeding.

Period	Name/profile of investors	Reason for not proceeding
Mar to Jun 2017	Titan Petrochemicals Group Limited	No reason given.
May to Aug 2018	Qian Investment Holding Pte Ltd, (international sales and marketing of lubricant additives business)	Investor was concerned on uncertainties on the change of use for JTC land.

Confirmation by the Company

The Company will be submitting the written confirmation to SGX-ST that the Time Extension does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The Board will make further update as necessary.

By Order of the Board
EMS Energy Limited

Chew Kok Liang
Company Secretary
19 November 2018

*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 Catalyst. 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 person for the Sponsor is Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.