

EXECUTION OF SALE AND PURCHASE AGREEMENT IN RESPECT OF THE PROPOSED ACQUISITION

Unless otherwise defined, all terms and references used herein are as defined in the announcements dated 2 January 2019 (the “**January Announcement**”) and 15 April 2019 relating to the MOU (collectively, the “**MOU Announcements**”).

1. INTRODUCTION

The Board of Directors (the “**Board**”) of EMS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the MOU Announcements in relation to the Company’s entry into the MOU with NVS Holdings Pte. Ltd. (“**NVSH**”) and Son Truong Co Ltd (collectively, the “**Vendors**”) for the proposed acquisition (the “**Proposed Acquisition**”) of an aggregate of 27,856,878 fully paid ordinary shares, or 52.76% of the issued and fully-paid ordinary shares in the capital of Nosco Shipyard Joint Stock Company (the “**Sale Shares**”) (the “**Target**”), and the agreement to extend the due diligence period under the MOU.

Further to that, the Board wishes to announce that the Vendors and the Company (collectively the “**Parties**” and individually a “**Party**”) have on 15 May 2019 entered into a definitive sale and purchase agreement in relation to the Proposed Acquisition (the “**Sale and Purchase Agreement**”).

In connection with the Proposed Acquisition, the Board wishes to announce that subject to the approval of the shareholders of the Company (the “**Shareholders**”), the Company intends to diversify into the new business of ship repair, module construction and ship-building (the “**Proposed Diversification**”). The Group’s existing business is offshore and marine engineering. The Proposed Diversification represents a diversification of the existing business scope and change in risk profile of the Group. As such, the Company intends to seek Shareholders’ approval for the Proposed Diversification at an extraordinary general meeting (“**EGM**”) to be convened in due course.

Further information on the Proposed Acquisition and Proposed Diversification will be provided in a circular to be issued by the Company in due course for the purpose of convening an EGM (“**Circular**”).

2. THE PROPOSED ACQUISITION

Please refer to the January Announcement for the following information on the Proposed Acquisition:

- (a) Sections 2.1 and 2.2: information on the Target and the Vendors;
- (b) Section 2.3: the rationale for and benefits of the Proposed Acquisition;
- (c) Section 2.4: the indicative and key terms of the Proposed Acquisition; and
- (d) Section 2.5: the application by the Vendors for a waiver of the obligations of the Vendors and their concert parties to make a mandatory general offer under Rule 14 from the SIC.

In addition to the information on the Proposed Acquisition as set out above, Shareholders should also note the following:

(a) Consideration

The indicative aggregate consideration payable by the Company for the Sale Shares (“**Consideration**”) for the Proposed Acquisition shall be represented by a 22% discount to the Equity Valuation or “preferred value” as indicated by the independent business valuer (or where the Equity Valuation is stated as a range, shall be equal to a 22% discount to the simple average of the highest and lowest value of such Equity Valuation). The discount was arrived at on a willing buyer-willing seller basis.

The formula for the purchase consideration was arrived at on a willing-buyer willing-seller basis after taking into account, among others:

- (i) the business prospects, track record and competencies of the Target and the benefits to the Company arising from the Proposed Acquisition;
- (ii) the unaudited net tangible assets of the Target for the financial year ended 31 December 2018 of VND400,169,454,992 (equivalent to S\$23,343,269); and
- (iii) the Equity Valuation to be assessed and finalised by an independent business valuer in the Independent Business Valuation Report to be produced.

For the purposes of this Announcement, “**Equity Valuation**” means the market value of 52.76% of the equity interest in the Target as set out in the Independent Business Valuation Report. “**Independent Business Valuation Report**” means the valuation report produced in connection with the Proposed Acquisition valuing the business of the Target by an independent business valuer (acceptable to the Board and financial adviser of the Company) to be appointed by the Company pursuant to Rule 1015(2) of the Section B: Rules of Catalist of the Listing Manual (the “**Catalist Rules**”), wherein the valuation will be conducted in accordance with international valuation standards issued by the International Valuation Standards Council, and having considered the reasonableness of the assumptions in its valuation. The independent business valuer is expected to be of an internationally recognised firm.

The consideration payable for each Sale Share shall be the same and shall be equal to the Consideration divided by the aggregate number of Sale Shares held by the Vendors as set out in Schedule 2 of the Sale and Purchase Agreement.

The Consideration shall, on the completion of the sale and purchase of the Sale Shares (“**Completion**”), be satisfied by the Company by the allotment and issuance of new Shares to the Vendors (the “**Consideration Shares**”) at the issue price of S\$0.0015 per Consideration Share, or as adjusted pursuant to any share consolidations to be approved at an EGM to be held (the “**Issue Price**”), in such proportion between the Vendors as reflected by their respective shareholding percentages in the 52.76% of the equity interest in the Target being acquired. The Company and the Vendors had negotiated in good faith on a willing buyer-willing seller basis to agree on the mutually acceptable Issue Price, which represents a 93.2% discount to the last traded price of the Company’s shares of S\$0.022 before trading in the Company’s shares was suspended on 26 September 2016. The Vendors’ respective shareholding percentages in respect of the Target are set out in the table below.

Name of Vendor	Number of Shares Held in Target	% held in Target
NVS Holdings Pte. Ltd.	23,056,878 ordinary shares	43.67%
Son Truong Co Ltd	4,800,000 ordinary shares	9.09%

Each Vendor shall sell and/or procure to be sold, and the Company shall purchase, the Sale Shares free from all encumbrances together with all rights and entitlements attaching thereto on and from the date on which the Completion takes place.

No Party shall be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all Sale Shares pursuant to the Sale and Purchase Agreement are completed simultaneously.

The Consideration Shares, when allotted and issued, shall be credited as fully-paid and rank *pari passu* in all respects with the then existing Shares as at the date of allotment except for any dividends, rights, distributions or other entitlements the record date of which falls on or before the date of allotment of the Consideration Shares. The allotment and issue of the Consideration Shares is subject to specific approval of the Shareholders at the EGM, and will not utilise the general share issue mandate of the Company.

As at 31 December 2018, the net asset value and net tangible assets of the Target was approximately VND400,169,454,992 (equivalent to S\$23,343,269) and VND400,169,454,992 (equivalent to S\$23,343,269), respectively. The Target did not have any intangible assets as at 31 December 2018.

The Company will be commissioning an independent business valuer to conduct an independent business valuation of the 52.76% equity interest of the Target. The Independent Business Valuation Report will be included in the Circular to be dispatched to Shareholders.

(b) Rationale for the Proposed Acquisition

The trading in the Shares have been suspended since 26 September 2016 pursuant to Rule 1303(3) of the Catalist Rules and the Company is therefore required to submit a proposal through its Sponsor to the SGX-ST with a view to resume trading (the “**Resumption Proposal**”). The SGX-ST had previously on 19 October 2017 granted the Company a 12-month extension of time until 25 September 2018, and on 19 November 2018 granted a further extension of time until 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 Company had on 8 March 2019 received a letter from SGX-ST granting the Company a further extension of time up to 30 June 2019 for the Company to submit a Resumption Proposal. No further extensions of time will be granted for the Company to submit a Resumption Proposal.

The Board believes that the Proposed Acquisition would allow the Company to acquire a new business which could potentially resolve its financial and business viability issues. After taking into consideration, among others, the Target’s fully operational shipyard with immediate cash flow, a new experienced management team being appointed in March 2019 and the market demand for ship repairing, the Company is of the view that the Target can contribute to the Group’s revenue and profits.

(c) Conditions precedent

Completion is conditional upon, *inter alia*, the following conditions being fulfilled (or waived) on or prior to Completion:

- (i) to the extent required by the Catalist Rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and/or applicable laws, the approval of the Shareholders in general meeting having been obtained for the entry into and completion of the Proposed Acquisition, including but not limited to the acquisition of the Sale Shares, the issue and allotment of the Consideration Shares and the transfer of a controlling interest to a Vendor (if any);
- (ii) approval in-principle for the listing and quotation of the Consideration Shares on the Official List of the SGX-ST having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the date of completion of the Proposed Acquisition, such conditions being reasonably acceptable to the Vendors or fulfilled by the Company, as the case may be;
- (iii) the approval of independent Shareholders being obtained at an extraordinary general meeting of the Company for the Whitewash Waiver (as defined below);

- (iv) the approval of the Securities Industry Council (“**SIC**”) having been granted (and not having been withdrawn, suspended, amended or revoked) to the Vendors and persons acting in concert with the Vendors to waive their obligation to make a mandatory general offer (arising from or in connection with the issuance of the Consideration Shares) under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Takeover Code**”) to the independent Shareholders and from having to comply with the requirements of Rule 14 of the Takeover Code, and where any waiver is subject to conditions, such conditions being satisfactory to the Company in its sole and absolute discretion and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers or consents remaining valid and in full force and effect (the “**Whitewash Waiver**”), where applicable;
- (v) the Company having undertaken and having completed the comprehensive legal, financial, commercial and technical due diligence in respect of the Target (the “**Due Diligence Exercise**”), and: (i) the results of the same being satisfactory to the Company in its sole discretion; and (ii) the Vendors having furnished a supplemental deed of warranties in relation to the Target addressing findings of the Company in the Due Diligence Exercise in form and substance satisfactory to the Company in its sole discretion;
- (vi) the Independent Business Valuation Report, being in compliance with the Catalist Rules and in such form and substance reasonably acceptable to the Company;
- (vii) all necessary consents, approvals and waivers of the relevant governmental, administrative or regulatory authorities or agencies, financial institutions or other third parties in relation to the Proposed Acquisition having been obtained by the Vendors or the Company (including without limitation, (A) any such consents, approvals, waivers and releases required from any banks to whom any of the Vendors may have pledged shares of the Target and (B) any waivers of pre-emption rights, tag-along rights or first refusal that may be set out in the constitutional documents of the Target or any shareholders’ agreement in relation to the Target in respect of the transfer of the Sale Shares to the Company), as the case may be, such consents, approvals and waivers not having been amended or revoked before the date of completion of the Proposed Acquisition, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the date of completion of the Proposed Acquisition, all such conditions having been duly so fulfilled;
- (viii) the Vendors or the Company not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated herein, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;
- (ix) the representations and warranties given by the Vendors under the Sale and Purchase Agreement being true, accurate and correct as if made on the date of completion of the Proposed Acquisition, with reference to the then existing circumstances and the Vendors having performed all of their obligations therein to be performed on or before the date of completion of the Proposed Acquisition; and
- (x) the approval of the SGX-ST in relation to the proposal to be submitted by the Company for the purpose of resumption of trading of the Shares on the Catalist Board of the SGX-ST.

In the event any of the Conditions Precedent above have not been fulfilled (or otherwise waived by the Company, to the extent it is lawful for the Company to do so) within eighteen (18) months from the date of the Sale and Purchase Agreement, then the provisions of the Sale and Purchase Agreement shall (other than clause 7, and clauses 9 to 20 of the Sale and Purchase Agreement) from such date *ipso facto* cease and determine and no Party shall have any claim against the other Party for costs,

damages, compensation or otherwise save in respect of any antecedent breach of the Sale and Purchase Agreement.

(d) Undertakings

Save in connection with businesses under the control of the Company (indirect or otherwise), each of the Vendors shall not, and each Vendor shall procure that its related corporations and Shareholders (both, as at the date of the Sale and Purchase Agreement and as at the date of Completion) shall not, whilst it is beneficially interested in any of the Shares of the Company and/or for a period of three years from the date on which such Vendor ceases to be beneficially interested in the Shares of the Company, whether alone or jointly with another and whether directly or indirectly, carry on, be engaged or concerned in, or (except as the owner for investment of securities dealt in on a stock exchange) be interested in, any business within the jurisdictions or geographical regions in which the Target carries on business or has operations in, including but not limited to Singapore and Vietnam which competes with any business now carried on by the Target.

Save in connection with businesses under the control of the Company (indirect or otherwise), each of the Vendors shall not, and each Vendor shall procure that its related corporations and Shareholders (both, as at the date of the Sale and Purchase Agreement and as at the date of Completion) shall not, whilst it is beneficially interested in any of the Shares of the Company and/or for a period of three years from the date on which such Vendor ceases to be beneficially interested in the Shares of the Company, whether on its own account or otherwise and whether directly or indirectly, solicit or entice the custom in relation to any goods or services supplied by the Target of any person who was a customer of the Target at any time during the three years ending on the date of the Sale and Purchase Agreement.

Save in connection with businesses under the control of the Company (indirect or otherwise), each of the Vendors shall not, and each Vendor shall procure that its related corporations and Shareholders (both, as at the date of the Sale and Purchase Agreement and as at the date of Completion) shall not, whilst it is beneficially interested in any of the Shares of the Company and/or for a period of three years from the date on which such Vendor ceases to be beneficially interested in the Shares of the Company, directly or indirectly, solicit or endeavour to entice away, offer employment to or employ, or offer or conclude any contract for services with, any person who was employed by the Target in skilled or managerial work, at any time during the three years ending on the date of the Sale and Purchase Agreement.

(e) Moratorium

Each of the Vendors agree to subject all their Consideration Shares to a moratorium for not less than 24 months post Completion. Mr. Ting Teck Jin also agrees to subject all his shares in NVSH to a moratorium for not less than 24 months post Completion. Other relevant parties may also be required to provide similar moratorium undertakings pursuant to the moratorium requirements under the Catalyst Rules.

(f) Financial information of the Target

Based on the unaudited combined financial statements of the Target for the last three financial years ended 31 December 2016 (“FY2016”), 31 December 2017 (“FY2017”) and 31 December 2018 (“FY2018”), a summary of the unaudited financial information of the Target for FY2016, FY2017 and FY2018 is set out below.

Income Statement			
S\$'000	FY2016	Unaudited FY2017	FY2018
Revenue	0	5,255	4,578
Loss before tax	260	678	(8,399)
Loss after tax	260	678	(8,399)

Statement of Financial Position			
S\$'000	As at 31 December 2016	Unaudited As at 31 December 2017	As at 31 December 2018
Non-current assets	262,601	282,634	294,213
Current Assets	14,213	9,256	9,404
Current liabilities	7,090	1,689	2,175
Non-current liabilities	238,802	258,602	278,099
Shareholders' equity	30,921	31,600	23,343

Note: The exchange rate applied for 2016 and 2017 is S\$1: VND17,176, and for 2018 is S\$1: VND17,143.

(g) Proforma financial information of the Group and the Target (collectively, the “Enlarged Group”)

The unaudited pro forma financial information of the Enlarged Group is for illustrative purposes only and has been prepared based on a mere summation of the audited financial statements of the Group for FY2018 and the unaudited combined financial statements of the Target for FY2018. The pro forma statement of financial position of the Enlarged Group below has been prepared on the assumption that the Proposed Acquisition was completed on 31 December 2018.

The pro forma financial information below does not take into account any expenses of or gain arising from the Proposed Acquisition.

Income Statement	
S\$'000	Unaudited FY2018
Revenue	5,049
Profit/(loss) before tax	(34,814)
Profit/(loss) after tax	(34,814)

Statement of financial position

S\$'000	As at 31 December 2018
Non-current assets	301,950
Current Assets	11,180
Current liabilities	112,950
Non-current liabilities	278,099
Shareholders' equity	(77,919)

3. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition cannot be determined as at the date hereof. The actual number of equity securities, being ordinary shares, issued by the Company as consideration for the Proposed Acquisition cannot be determined as at the date hereof, as the Consideration will be based on a formula, being a 22% discount to the Equity Valuation or "preferred value" as indicated by the independent business valuer (or where the Equity Valuation is stated as a range, shall be equal to a 22% discount to the simple average of the highest and lowest value of such Equity Valuation).

The Company will disclose the financial effects of the Proposed Acquisition once the Consideration is determined.

4. THE PROPOSED ACQUISITION AS A VERY SUBSTANTIAL ACQUISITION

The Proposed Acquisition is governed by the rules in Chapter 10 of the Catalyst Rules. Based on the Group's audited consolidated financial statements for FY2018¹, the relative figures of the Proposed Acquisition, taken as a whole, computed on the bases set out in Rule 1006(a) to (e) of the Catalyst Rules are set out below.

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value	N.A ⁽¹⁾
(b)	The net profit attributable to the Target, compared with the Group's net profits ⁽²⁾ for the financial year ended 31 December 2018	31.80 ⁽³⁾
(c)	The aggregate consideration of the Proposed Acquisition compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	N.A ⁽⁴⁾

¹ As the Target's quarterly numbers are not available, financials for the financial year ended 31 December 2018 are used for both the Target and the Group.

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| (d) | The number of Shares to be issued by the Company for the Proposed Acquisition, compared with the number of Shares (excluding treasury shares) previously in issue | N.A ⁽⁴⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Company's proved and probable reserves | N.A ⁽⁵⁾ |

Notes:

- (1) Not applicable to an acquisition of assets.
- (2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) Based on the unaudited net loss of Target for FY2018 of Vietnamese Dong ("VND") 143,987,348,456 (or equivalent to S\$8,399,192 based on the closing exchange rate of S\$1: VND17,143 on 31 December 2018), being the latest available unaudited financial results of the Target, and based on the audited net loss of the Group for FY2018 of S\$26,415,000.
- (4) Not applicable. The actual aggregate consideration and the actual number of Shares to be issued by the Company for the Proposed Acquisition cannot be determined as at the date hereof, as the Consideration will be based on a formula, being a 22% discount to the Equity Valuation or "preferred value" as indicated by the independent business valuer (or where the Equity Valuation is stated as a range, shall be equal to a 22% discount to the simple average of the highest and lowest value of such Equity Valuation). Updated numbers will be announced by the Company in due course.
- (5) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figures under Rules 1006(c) and 1006(d) of the Catalist Rules are expected to exceed 100%, the Proposed Acquisition is expected to constitute a very substantial acquisition under Rule 1015 of the Catalist Rules. Accordingly, the Proposed Acquisition will be conditional upon, *inter alia*, the approval of the SGX-ST and the Shareholders being obtained pursuant to Rule 1015 of the Catalist Rules.

Further, as mentioned above, the number of Consideration Shares cannot be determined as at the date hereof. In the event, however, there is a transfer of controlling interest pursuant to the allotment and issue of Consideration Shares, the approval of the Shareholders would also be sought at the EGM.

5. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION ("IPT")

(a) Details of Interested Persons

The Proposed Acquisition is an IPT as NVSH is an "interested person" for the purposes of Chapter 9 of the Catalist Rules for the following reasons:

- (i) NVSH (being one of the Vendors) is an associate of Mr Ting Teck Jin as defined under the Catalist Rules given that Mr. Ting Teck Jin has a direct and deemed interest in the 62% shareholding interest in NVSH as at the date of this Announcement. Mr. Ting Teck Jin is a controlling shareholder of the Company due to his direct interest of 0.07% in the Company as well as his deemed interest in the 79.47% shareholding interest in the Company held by Titanium Holdings LLC in which he is a controlling shareholder and a director; and
- (ii) Mr. Ting Teck Jin is also the Executive Chairman and Chief Executive Officer of the Company.

(b) Materiality Thresholds under Chapter 9 of Catalist Rules

Under Chapter 9 of the Catalist Rules, Shareholders' approval is required for an interested person transaction of a value equal to, or exceeding, 5% of the Group's latest audited NTA.

The total value at risk of the Proposed Acquisition is equal to 82.77% of the Consideration.² The Group's latest audited NTA as at 31 December 2018 is approximately -S\$71.7 million. As the value of the Proposed Acquisition against the Group's latest audited NTA is expected to exceed 5% of the Group's latest audited NTA based on absolute value, the Proposed Acquisition is an interested person transaction and is subject to the approval of the Shareholders at the EGM.

(c) Total value of IPTs

Save for the Proposed Acquisition, there were no transaction between the Company and Mr Ting Teck Jin and/or NVSH for the current financial year ending 31 December 2019 ("FY2019") up to the date of this announcement. There were also no other interested person transactions for FY2019 up to the date of this Announcement.

(d) Audit Committee's Statement

The Audit Committee of the Company comprises Mr Lim Siong Sheng, Mr Lim Poh Boon and Mr Ung Gim Sei. The chairman of the Audit Committee is Mr Lim Siong Sheng. The members of the Audit Committee do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for purposes of the Proposed Acquisition.

The Audit Committee will form its view as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders after considering the independent financial adviser's opinion to be obtained in due course. The Audit Committee's view on the Proposed Acquisition will be set out in the Circular to be despatched in due course.

6. THE PROPOSED DIVERSIFICATION

(a) Diversification of business

The Group is currently engaged in the business of offshore and marine engineering (the "**Existing Business**").

In connection with the Proposed Acquisition, the Company proposes to diversify the Group's core business to include the new business of ship repair, module construction and ship-building. The Target's existing business is ships repairing, ships and other marine assets construction and recycling and it currently operates a shipyard in Vietnam. It is also in possession of a 100 hectares industrial land with a 50-year lease, of which 50 hectares are currently used for the business of ships repairing, ships and other marine assets construction and recycling. The remaining 50 hectares of land is currently vacant and is authorised for future expansion into same business or potentially to develop into other projects to support the local industrial development.

As mentioned above, the Target currently carries out its operations on 50 hectares of land, which is equipped with a state-of-the-art Syncrolift® system with dimensions of 224 x 35 metres and a lifting capacity of up to 28,000 tons. It can simultaneously drydock seven large vessels on land. The Target

² This is derived from calculating NVSH's equity interest in the Target (being 43.67%) as a percentage of the Vendors' total equity interest in the Target (being 52.76%).

can undertake any type of repair services, ranging from annual surveys, special surveys and bottom surveys. In addition, the Target is capable of providing the full spectrum of drydocking and repair services, which include hull cleaning and painting, as well as steel, mechanical and electrical services.

In this regard, the Company intends to utilise the facility to provide more services such as vessel upgrading, conversion, modules fabrication and ship-building. This is in line with the Group's intended direction for the new business of ship repair, module construction and ship-building subsequent to completion of the Proposed Acquisition. The existing areas of the Group's business that are not under such new business will be wound down.

(b) Rationale for the Proposed Diversification

The Group proposes to diversify its Existing Business to include the new business of ship repair, module construction and ship-building for the following reasons:

(i) Reduce reliance on its existing business

As the Group's existing business and operations in the offshore and marine engineering industry continue to face headwind in an increasingly challenging and competitive environment, the Proposed Diversification will reduce the Group's reliance on its existing business and the impact of its existing business performance on its profitability.

(ii) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Company to realign the Group's business strategies and improve profits, provide Shareholders with diversified returns and long-term growth. The Board believes that the Proposed Diversification will offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

Based on the above, the Board is of the view that the Proposed Diversification is in the best interest of the Company and Shareholders.

(c) Shareholders' Approval

The Proposed Diversification will involve a new business which is substantially different from the Existing Business. It is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Pursuant to the Catalist Rules, Shareholders' approval is required for the Proposed Diversification. Accordingly, the Company will be seeking Shareholders' approval for the Proposed Diversification at the EGM.

7. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition and the Proposed Diversification at this juncture. The Company will disclose details of any service contracts in the event any director is proposed to be appointed to the Board in accordance with Rule 1010(12) of the Catalist Rules.

8. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

UOB Kay Hian Private Limited has appointed as the Financial Adviser to the Company in respect of the Proposed Acquisition and the Proposed Diversification.

The Company will appoint an independent financial adviser to (i) advise the independent Directors on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and (ii) advise independent Shareholders on whether the Whitewash Waiver is fair and reasonable and not prejudicial to the interest of the independent Shareholders. The opinion of the independent financial adviser will be set out in the Circular.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr Ting Teck Jin, none of the directors of the Company or controlling Shareholders has any interests, direct or indirect, in the Proposed Acquisition and the Proposed Diversification, other than through their respective shareholding interests in the Company.

10. FURTHER INFORMATION

(a) Announcement

The Company will make further announcements to inform Shareholders when there are any material developments in respect of the Proposed Acquisition and the Proposed Diversification and/or the Resumption Proposal.

As at the date of the announcement, the Company has only commenced broad based due diligence and has not carried out detailed due diligence as required for the purposes of the Proposed Acquisition.

(b) Circular

The Circular setting out, *inter alia*, the terms of the Proposed Acquisition and the Proposed Diversification and the opinion and recommendation of the independent financial adviser in relation to the Whitewash Waiver and IPT, together with a notice of EGM, will be dispatched by the Company to the Shareholders in due course.

(c) Document for inspection

A copy of the Sale and Purchase Agreement will be made available for inspection during normal business hours at the registered office of the Company at 25 International Business Park #02-57 German Centre Singapore 609916, for a period of three months from the date of this Announcement. A copy of the Independent Business Valuation Report will also be made available for inspection, once finalised and available, during normal business hours at the registered office of the Company at 25 International Business Park #02-57 German Centre Singapore 609916.

11. CAUTION IN TRADING

The Company would like to remind all shareholders that trading in the Company's shares is currently suspended and the Proposed Acquisition and the Proposed Diversification is subject to, amongst others, and the clearance of the Resumption Proposal by the SGX-ST. As such, shareholders and investors are advised to exercise caution when dealing in the Company's Shares and to refrain from taking any action in respect of their shares and/or investment in the Company which may be prejudicial to their interest. Persons, who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Proposed Diversification, the Company and its subsidiaries, and the directors of the Company are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

13. SPONSOR'S AND FINANCIAL ADVISOR'S RESPONSIBILITY STATEMENT

To the best of the Sponsor's and Financial Advisor's (as defined below) knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Proposed Diversification, the Company and its subsidiaries, and the Sponsor and Financial Advisor is not aware of any facts the omission of which would make any statement in the document misleading.

By Order of the Board
EMS Energy Limited

Wee Woon Hong
Company Secretary

16 May 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" and "Financial Advisor") 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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