

ANNOUNCEMENT

THE PROPOSED ISSUANCE OF RIGHTS SHARES BY THE COMPANY – RECEIPT OF APPROVAL FROM THE SIC

Unless otherwise defined, all capitalised terms herein shall have the same meaning as ascribed to them in the Announcement (as defined herein).

1. INTRODUCTION

The Board of Directors (the “**Board**”) of EMS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 5 May 2014 (the “**Announcement**”) wherein the Company has proposed to undertake the Rights Issue.

2. SIC APPROVAL - WAIVER FROM A MANDATORY GENERAL OFFER

In connection with the proposed Rights Issue, the new Shares to be issued to Mr Ting and Koastal pursuant to the Irrevocable Undertaking (and by parties acting in concert with them) may result in an obligation on their part to make a take-over under Rule 14 of the Code. In this regard, the Company had sought the approval of the SIC for granting a waiver of the obligation for Mr Ting and Koastal to make a mandatory general offer under the Code, for all the Shares not owned or controlled by Mr Ting and Koastal and any parties acting in concert with them (the “**SIC Waiver**”).

The Company wishes to announce that it has received the approval from the SIC for the SIC Waiver, subject to the following conditions:

- a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights Issue, the Whitewash Resolution by way of a poll;
- b) the Whitewash Resolution is separate from other resolutions;
- c) the Undertaking Shareholders, parties acting in concert with them and parties not independent of them abstain from voting on the Whitewash Resolution;
- d) the Undertaking Shareholders and their concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the circular);
 - i. during the period between the date of the Announcement and the date Shareholders' approval is obtained for the Whitewash Resolution; and
 - ii. in the 6 months prior to the date of the Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the proposed Rights Issue;
- e) the Company appoints an independent financial adviser to advise its independent Shareholders on the Whitewash Resolution;
- f) the Company sets out clearly in its circular to Shareholders:
 - i. details of the Rights Issue;
 - ii. the dilution effect to existing holders of voting rights upon the acquisition of Rights

Shares by the Undertaking Shareholders and their concert parties pursuant to the Irrevocable Undertaking;

- iii. the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Undertaking Shareholders and their concert parties as at the latest practicable date;
 - iv. the number and percentage of voting rights to be acquired by the Undertaking Shareholders pursuant to the Irrevocable Undertaking;
 - v. specific and prominent reference to the fact that the acquisition of Rights Shares by the Undertaking Shareholders and their concert parties pursuant to the Irrevocable Undertaking could result in them holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Undertaking Shareholders and their concert parties will as a result be free to acquire further shares without incurring any obligation under Rule 14 of the Code to make a general offer;
 - vi. specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Undertaking Shareholders at the highest price paid by the Undertaking Shareholders and their concert parties for Shares in the past 6 months preceding the commencement of the proposed Rights Issue;
- g) the circular by the Company to Shareholders states that the waiver granted by the SIC to the Undertaking Shareholders and their concert parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at (a) to (f) above;
 - h) the Undertaking Shareholders and their concert parties obtain the SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
 - i) to rely on the Whitewash Resolution, the acquisition of Rights Shares by the Undertaking Shareholders pursuant to the Irrevocable Undertaking must be completed within 3 months of the date of the approval of the Whitewash Resolution.

The Company would like to highlight that the SIC Waiver may be invalidated if there are any purchases of voting rights prior to the acquisition of Rights Shares by the Undertaking Shareholders pursuant to the Irrevocable Undertaking.

3. CAUTIONARY STATEMENT

The Board would like to advise the Shareholders that although the SIC Waiver has been obtained, completion of the proposed Rights Issue is subject to certain conditions being fulfilled and there is no assurance that the proposed Rights Issue would be completed. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Company's Shares. Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

By Order of the Board
EMS Energy Limited

Gwendolyn Gn Jong Yuh
Company Secretary
4 August 2014

*This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). 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 correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.