

ANNOUNCEMENT

DISCREPANCIES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcements dated 01 March 2019 ("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 its unaudited financial statements for the financial year ended 31 December 2018 ("Unaudited Results").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight that there are some discrepancies between the unaudited financial statements in Previous Announcement and the audited financial statements for financial year ended 31 December 2018 ("Audited Results").

A comparison of the unaudited and audited financial statements with the relevant explanatory notes are as below:-

Statement of Comprehensive Income (Group)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Revenue		471	471	
Cost of Sales		(334)	(334)	-
Gross profit/(loss)		137	137	-
Other income	(a)	539	412	(127)
		676	549	(127)
Other items of expense				
Administrative expenses	(b)	(3,289)	(3,183)	106
Distribution costs		-	-	-
Impairment of amount due from deconsolidated subsidiaries		(20,719)	(20,719)	-
Loss allowance (made)/reversed for third party trade receivable	(c)		(61)	(61)
Other expenses		-	-	-
Finance Cost	(d)	(3,265)	(3,001)	264
Loss on disposal of association		-	-	-
Gain on deconsolidation of subsidiaries		-	-	-
(Loss)/Profit before tax		(26,597)	(26,415)	182
Income tax expense		-	-	-
(Loss)/Profit for the year		(26,597)	(26,415)	182

Statement of Financial Position (Group)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Non-current assets				
Property, plant and equipment		10,853	10,853	-
Total non-current assets		10,853	10,858	-
Current assets				
Trade and other receivables	(e)	230	148	(82)
Amount due from deconsolidated subsidiaries		-	-	-
Prepayment	(f)	278	1,521	1,243
Advance to suppliers	(f)	1,243	-	(1,243)
Cash and bank balances		107	107	-
Total current assets		1,858	1,776	(82)
Total assets		12,711	12,629	(82)
Current Liabilities				
Trade & other payables		48,170	48,170	-
Advances from Customers	(g)	-	1,237	1,237
Contract liabilities	(g)	1,852	615	(1,237)
Amount due to deconsolidated subsidiaries		33,193	33,193	-
Bank borrowings		1,746	1,746	-
Borrowings from third parties		16,380	16,380	-
Convertible loan	(h)	7,806	7,542	264
Financial derivative liabilities		1,892	1,892	-
Total current liabilities		111,039	110,775	264
Total Net Liabilities		(98,328)	(98,146)	182
EQUITY AND LIABILITIES				
Equity				
Share capital		167,711	167,711	-
Other reserves		(148,881)	(148,881)	-
Accumulated losses		(117,158))	(116,976))	182
Total deficit		(98,328)	(98,146)	182

Statement of Financial Position (Company)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Non-current assets				
Property, plant and equipment		10,797	10,797	-
Total non-current assets		10,797	10,797	-

Current assets				
Trade and other receivables	(i)	8,545	68	(8,477)
Amount due from deconsolidated subsidiaries		-	-	-
Prepayment		4	4	-
Cash and bank balances		1	1	-
Total current assets		8,550	73	(8,477)
Total assets		19,347	10,870	(8,477)
Current Liabilities				
Trade & other payables		10,210	10,210	-
Amount due to deconsolidated subsidiaries		32,441	32,441	-
Bank borrowings		1,746	1,746	-
Borrowings from third parties		-	-	-
Convertible loan	(h)	7,806	7,542	264
Financial derivative liabilities		1,892	1,892	-
Total current liabilities		54,095	53,831	264
Total Net liabilities		(34,748)	(42,961)	(8,213)
EQUITY AND LIABILITIES				
Equity				
Share capital		167,711	167,711	-
Share option reserve		85	85	-
Accumulated losses		(202,544)	(210,757)	(8,213)
Total deficit		(34,748)	(42,961)	(8,213)

Consolidated Statement of Cash flows

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Operating activities				
Profit before tax		(26,597)	(26,415)	182
Adjustments for:				
Depreciation of property, plant and equipment		46	45	(1)
Loss on disposal of property, plant and equipment		3	3	-
Loss on sale of inventories		89	89	-
Loss on disposal of investment in associate		-	-	-
Fixed Assets written off		113	113	-
Allowance for doubtful debts	(e)	106	188	82
Allowance for doubtful debts written back		(127)	(127)	-
Allowance for losses from construction contract		-	-	-
Allowance for impairment of amount due from deconsolidation		20,719	20,719	-
Impairment loss on available-for-sale financial assets		-	-	-
Write-down of inventories		-	-	-
Reversal of liability arising from expired share warrants		-	-	-
Gain on deconsolidation of subsidiaries		-	-	-
Interest expense	(h)	3,265	3,001	(264)
Interest income		-	-	-
Unrealised exchange differences		(332)	(332)	-
Operating cash flows before movements in working capital		(2,715)	(2,716)	(1)
Inventories		459	459	-
Trade and other receivables		87	87	-
Advances to supplier	(f)	(1,243)	-	1,243
Amount due from contract customers		-	-	-
Prepayments	(f)	110	(1,133)	(1,243)
Trade and other payables	(j)	1,875	1,750	(125)
Contract liabilities		800	800	-
Amount due to contract customers		-	-	-
Provision for warranties		-	-	-
Cash used in operations		(627)	(753)	126
Income taxes paid		-	-	-
Net cash used in operating activities		(627)	(753)	126
Investing activities				
Interest received		-	-	-
Purchase of plant and equipment		(15)	(15)	-

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Proceeds from disposal of property, plant and equipment		23	23	-
Proceeds from disposal of associate				-
Proceeds from disposal of plant and equipment		5,420	5,420	-
Net cash outflow on deconsolidation of subsidiaries				-
Net cash from investing activities		5,428	5,428	-
Financing activities				
Loan from director		423	423	-
Repayment of bank borrowings	(j)	(5,515)	(5,389)	126
Net cash (used in) financing activities		(5,092)	(4,966)	126
Net change in cash and cash equivalents		(291)	(291)	-
Cash and cash equivalents at beginning of year		398	398	-
Cash and cash equivalents at end of year		107	107	-

- Reclassification of reversal of loss allowance to other expenses
- Reclassification of loss allowance made for trade receivables as separate line item
- Reclassification of loss allowance (made)/reversed from administrative expenses and other income amounting to S\$106,000 and S\$127,000 respectively to shown in net amount. Further loss allowance of S\$82,000 provided after result announcement made on 1 March 2019
- Over accrual of interest expense for convertible loan
- Loss allowance made for trade receivables
- Reclassification from "Advance to suppliers" to "Prepayment"
- Reclassification from "Contract liabilities" to "Advances from customers"
- Reversal of interest over accrued for convertible loan
- Being impairment provided for amount due from Koastal Industries Pte Ltd
- Adjustment made to reflect the repayments to bank under financing activities

By Order of the Board
EMS Energy Limited

Wee Woon Hong
Company Secretary
12 April 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.