



ANNOUNCEMENT

DISCREPANCIES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The board of directors (the “Board”) of EMS Energy Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the Company’s announcement dated 24 April 2018 in relation to its unaudited financial statements for the financial year ended 31 December 2017 (“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 certain reclassifications following the finalisation of the audited financial statements of financial year ended 31 December 2017 (“Audited Results”).

A summary of the adjustments between the Unaudited Results and Audited Results with the relevant explanatory notes are as follows:-

Statement of Comprehensive Income (Group)

		Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Revenue		6,703	6,703	-
Cost of sales		(10,070)	(10,070)	-
Gross loss		(3,367)	(3,367)	-
<i>Gross loss margin</i>		(50.2%)	(50.2%)	-
Other income		4,501	4,501	-
Expenses				
- Administrative		(6,464)	(6,464)	-
- Distribution		(12)	(12)	-
- Other expenses	(a)	(18,898)	(19,500)	(602)
- Finance		(4,753)	(4,753)	-
Share of results of associated company		-	-	-
Loss in disposal of Associated company		(118)	(118)	-
Gain on deconsolidation of subsidiaries		64,611	64,611	-
Profit before income tax	(a)	35,500	34,898	(602)
Income tax expense		(2)	(2)	-
Total profit for the year attributable to equity of the Company		35,498	34,896	(602)



Statement of Comprehensive Income (Group) (Continued)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences				
- On translation of foreign operations	(a)	5,369	5,971	602
Reserve reclassify to P&L on deconsolidation of KIPL group				
Capital reserves		(268)	(268)	-
Fair value gains		47	47	-
		(221)	(221)	-
Other comprehensive income for the year, net of tax	(a)	5,148	5,750	602
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		40,646	40,646	-

Statement of Financial Position (Group)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Non-current assets				
Property, plant and equipment		11,022	11,022	-
Total non-current assets		11,022	11,022	-
Current assets				
Inventories		548	548	-
Trade and other receivables		296	296	-
Amount due from deconsolidated subsidiaries		20,293	20,293	-
Prepayments		388	388	-
Cash and bank balances		511	511	-
Total current assets		22,036	22,036	-
Assets held for sale		5,600	5,600	-
Total current assets		27,636	27,636	-
Total assets		38,658	38,658	-

Statement of Financial Position (Group) (Continued)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
EQUITY AND LIABILITIES				
Equity				
Share capital		167,711	167,711	-
Other reserves	(a)	(143,305)	(142,703)	602
Accumulated losses	(a)	(96,137)	(96,739)	(602)
Total deficit		(71,731)	(71,731)	-
Current liabilities				
Trade and other payables		46,463	46,463	-
Advances from contract customers		408	408	-
Amounts due to contract customers		615	615	-
Amount due to deconsolidated subsidiaries		32,716	32,716	-
Bank borrowings		6,916	6,916	-
Borrowings from third parties		14,296	14,296	-
Convertible loan		7,083	7,083	-
Financial derivative liabilities		1,892	1,892	-
Total current liabilities		110,389	110,389	-
Total liabilities		110,389	110,389	-
Total equity and liabilities		38,658	38,658	-

Statement of Financial Position (Company)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Non-current assets				
Property, plant and equipment		10,808	10,808	-
Total non-current assets		10,808	10,808	-
Current assets				
Trade and other receivables	(b)	15,719	14,103	(1,616)
Amount due from deconsolidated subsidiaries	(b)	-	1,616	1,616
Prepayment		4	4	-
Cash and bank balances		57	57	-
Total current assets		15,780	15,780	-
Total assets		26,588	26,588	-
EQUITY AND LIABILITIES				
Equity				
Share capital		167,711	167,711	-
Share option reserve		85	85	-
Accumulated losses		(198,442)	(198,442)	-
Total deficit		(30,646)	(30,646)	-

Statement of Financial Position (Company) (Continued)

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Current liabilities				
Trade and other payables	(c)	41,343	8,970	(32,373)
Amount due to deconsolidated subsidiaries	(c)	-	32,373	32,373
Bank borrowings		6,916	6,916	-
Convertible loan		7,083	7,083	-
Financial derivative liabilities		1,892	1,892	-
Total current liabilities		57,234	57,234	-
Total liabilities		57,234	57,234	-
Total equity and liabilities		26,588	26,588	-

Consolidated Statement of Cash flows

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Operating activities				
Profit before tax	(a)	35,500	34,898	(602)
Adjustments for:				
Depreciation of investment property	(d)	1	-	(1)
Depreciation of property, plant and equipment		141	141	-
Fair value loss reclassified from fair value reserve on deconsolidation of subsidiaries		47	47	-
Capital gain reclassified from capital reserve on deconsolidation of subsidiaries		(268)	(268)	-
Loss on disposal of property, plant and equipment	(d)	37	38	1
Loss on disposal of investment in associate		118	118	-
Allowance for doubtful debts		288	288	-
Allowance for doubtful debts written back		(289)	(289)	-
Allowance for losses from construction contract		13,782	13,782	-
Impairment loss on available-for-sale financial assets	(e)	4,116	3,986	(130)
Write-down of inventories		178	178	-
Reversal of liability arising from expired share warrants		(1,080)	(1,080)	-
Gain on deconsolidation of subsidiaries		(64,611)	(64,611)	-
Interest expense		4,753	4,753	-
Interest income		(1)	(1)	-
Unrealised exchange differences	(a), (e)	(509)	222	731

	Note	Unaudited (S\$'000)	Audited (S\$'000)	Variance (S\$'000)
Operating cash flows before movements in working capital	(d)	(7,797)	(7,798)	(1)
Inventories		(202)	(202)	-
Trade and other receivables		5,513	5,513	-
Amount due from contract customers		(16,617)	(16,617)	-
Prepayments		(6,031)	(6,031)	-
Trade and other payables	(f)	22,920	21,101	(1,819)
Advances from contract customers		2,603	2,603	-
Amount due to contract customers		(562)	(562)	-
Provision for warranties		(33)	(33)	-
Cash used in operations	(f)	(206)	(2,026)	(1,820)
Income taxes paid		(120)	(120)	-
Net cash used in operating activities	(f)	(326)	(2,146)	(1,820)
Investing activities				
Interest received		1	1	-
Proceeds from disposal of property, plant and equipment		6	6	-
Proceeds from disposal of associate		2,860	2,860	-
Purchase of property, plant and equipment	(f)	(1,819)	-	1,819
Net cash outflow on deconsolidation of subsidiaries		(486)	(486)	-
Net cash from investing activities	(f)	562	2,381	1,819
Financing activities				
Repayment of bank borrowings		(167)	(167)	-
Net cash (used in) financing activities		(167)	(167)	-
Net change in cash and cash equivalents		69	68	(1)
Cash and cash equivalents at beginning of year		330	330	-
Cash and cash equivalents at end of year		399	398	(1)



Notes:-

- a. Reclassification from "Foreign currency translation reserve" to "Profit or loss".
- b. Reclassification from "Trade and other receivables" to "Amount due from deconsolidated subsidiaries".
- c. Reclassification from "Trade and other payables" to "Amount due to deconsolidated subsidiaries".
- d. Not meaningful.
- e. Reclassification from "Impairment loss on available-for-sale financial assets" to "Unrealised exchange differences".
- f. Reclassification of cash flow arising from "Purchase of property, plant and equipment" in investing activities" to "Trade and other payables" in operating activities.

By Order of the Board
EMS Energy Limited

Chew Kok Liang
Company Secretary
8 June 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 Catalist. 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 persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.