



EMAS Offshore Limited

(Incorporated in Singapore)

(UEN/Company Registration Number: 200702224N)

AUDITED ANNUAL FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 AUGUST 2016

1. The Board of Directors of EMAS Offshore Limited ("EOL" or the "Company", and together with its subsidiaries, the "EOL Group") wishes to announce that the audited Annual Financial Statements for the financial year ended 31 August 2016 ("Audited FS FY2016") in relation to the EOL Group has been released on 8 December 2017.
2. With reference to the announcements made by the Company in relation to the unaudited FY2016 Financial Statements on 30 October 2016 and 29 November 2016 respectively, the main adjustments in the figures from the unaudited FS FY2016 to Audited FS FY2016 on a Group basis are as follows:
 - i) In relation to the Consolidated Statement of Profit or Loss and Other Comprehensive Income ("P&L") for the financial year ended 31 August 2016:
 - a) The decrease in "Cost of Sales" from unaudited US\$239.9mil to US\$215.7mil as per Audited FS FY2016 is due to the reclassification of provision for onerous contracts in relation to the Group's leased-in vessels from "Cost of sales" to "Other (expense)/income, net".
 - b) The increase in "Other (expense)/income, net" from unaudited US\$357.4mil to US\$378.1mil as per Audited FS FY2016 is due to the reclassification of provision for onerous contracts as mentioned above from "Cost of sales" to "Other (expenses)/income, net" which is offset by the write-back of a refundable deposit of US\$3.5mil that was previously written off.
 - c) The increase in "Administrative expenses" from unaudited US\$49.4mil to US\$97.8mil as per Audited FS FY2016 is due to the write off of deferred consideration in "Long term receivables" and "Other receivables" as per Statement of Financial Position ("Balance Sheet") as described below pertaining to the winding up application of Lewek Champion Shipping Pte Ltd and termination of two bareboat leased-in charters subsequent to financial year end. The Group has impaired the deferred consideration for these 3 leased-in vessels as they were deemed not recoverable.
 - d) In view of the above, the loss after tax had increased from unaudited US\$490.3mil to US\$535.2mil as per Audited FS FY2016.
 - ii) In relation to Balance Sheet as at 31 August 2016,
 - a) The decrease in "Long term receivables" under Non-Current assets from unaudited US\$59.8mil to US\$12.6mil as per Audited FS FY2016 is mainly due to the winding up application of Lewek Champion Shipping Pte Ltd and termination of two bareboat leased-in charters subsequent to financial year end which the Group has impaired the deferred consideration for these 3 leased-in vessels as they were deemed not recoverable.

- b) The increase in “Other receivables” under Current assets from unaudited US\$134.3mil to US\$136.9mil as per Audited FS FY2016 is due to the write-back of a refundable deposit of US\$3.5mil that was previously written off which is offset by a decrease due to the termination of a bareboat leased-in charter subsequent to financial year end in which the Group has impaired the current portion of the deferred consideration for that leased-in vessel as it was deemed not recoverable.
- c) The increase in “Prepayments” under Current assets from unaudited US\$13.7mil to US\$14.2mil as per Audited FS FY2016 is due to the accrual of professional fees paid pertaining to the restructuring exercise of the Group.
- d) Under “Accumulated profits/(losses)” under Capital and reserves, the accumulated losses which increased from unaudited US\$138.6mil to US\$183.5mil as per Audited FS FY2016 is due to the increase in net loss from tax from unaudited US\$490.3mil to US\$535.2mil as per Audited FS FY2016 which is explained in the P&L adjustment above. Consequently, the “Total equity” under Capital and reserves had declined from unaudited US\$90.5mil to US\$45.6mil as per the Audited FS FY2016.

Please refer to pages from 10 to 13 for the P&L and the Balance Sheet figures as per Audited FS FY2016 as disclosed above.

- 3. The Board of Directors also wishes to highlight that the Independent Auditor’s Report (which forms part of the Audited FS FY2016) as prepared by the Company’s independent auditor, i.e. Ernst & Young LLP (the “Auditor”) contains a Disclaimer of Opinion as the Auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, the Auditor does not express an opinion on the financial statements. The basis of the Disclaimer of Opinion is set out from pages 6 to 9 of the Audited FS FY2016.

This announcement is subject to disclosure in accordance with section 5-12 of the Norwegian Securities Trading Act.

By Order of the Board

Lee Kian Soo
Director
8 December 2017