

## UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statements and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	3 Months Ended 30 June			6 Months Ended 30 June		
		2Q2017 S\$'000	2Q2016 S\$'000	Increase (Decrease) %	1H2017 S\$'000	1H2016 S\$'000	Increase (Decrease) %
<b>Revenue</b>		644	5,675	-88.65%	5,637	10,903	-48.30%
Cost of sales		(852)	(3,771)	-77.41%	(4,702)	(7,950)	-40.86%
<b>Gross profit</b>		(208)	1,904	-110.92%	935	2,953	-68.34%
Other income	1(a)(ii)	139	20	595.00%	182	74	145.95%
Other (losses)/gains	1(a)(ii)	(808)	273	-395.97%	(665)	(725)	-8.28%
Expenses							
-General and administrative expenses		(1,224)	(947)	29.25%	(2,443)	(1,737)	40.64%
-Finance expenses		(161)	(188)	-14.36%	(387)	(367)	5.45%
<b>(Loss)/profit before income tax</b>	1(a)(ii)	(2,262)	1,062	-312.99%	(2,378)	198	n.m
Income tax (expense)/credit		(1)	8	-112.50%	(8)	20	-140.00%
<b>(Loss)/profit after tax</b>		(2,263)	1,070	-311.50%	(2,386)	218	n.m
<b>Other comprehensive (loss)/profit:</b>							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		319	(55)	680.00%	(35)	(1,171)	-97.01%
<b>Total comprehensive (loss)/profit for the financial period</b>		(1,944)	1,015	-291.53%	(2,421)	(953)	154.04%
<b>(Loss)/profit attributable to:</b>							
Equity holders of the Company		(1,955)	474	-512.45%	(2,282)	(324)	604.32%
Non-controlling interests		(308)	596	-151.68%	(104)	542	-119.19%
		(2,263)	1,070	-311.50%	(2,386)	218	n.m
<b>Total comprehensive (loss)/profit attributable to:</b>							
Equity holders of the Company		(1,737)	445	-490.34%	(2,317)	(870)	166.32%
Non-controlling interests		(207)	570	-136.32%	(104)	(83)	25.30%
		(1,944)	1,015	-291.53%	(2,421)	(953)	154.04%

n.m = Not meaningful

**1(a)(ii) Additional notes to the statement of comprehensive income for the group for the corresponding period of the immediate preceding financial year.**

Note	3 Months Ended 30 June			6 Months Ended 30 June		
	2Q2017 S\$'000	2Q2016 S\$'000	Increase (Decrease) %	1H2017 S\$'000	1H2016 S\$'000	Increase (Decrease) %
<b>Other income:</b>						
Interest income	127	16	693.75%	138	29	375.86%
Government grant	6	3	100.00%	27	43	-37.21%
Sundry income	6	1	500.00%	17	2	750.00%
	<u>139</u>	<u>20</u>	595.00%	<u>182</u>	<u>74</u>	145.95%
<b>Other (losses)/gains:</b>						
Currency exchange (losses)/gains	(810)	234	-446.15%	(664)	(764)	-13.09%
Gain/(loss) from disposal of property, plant and equipment	-	39	-100.00%	(4)	39	-110.26%
Bad debt written back	2	-	n.m	3	-	n.m
	<u>(808)</u>	<u>273</u>	-395.97%	<u>(665)</u>	<u>(725)</u>	-8.28%
Depreciation included in:						
- cost of sales	(42)	(848)	-95.05%	(514)	(1,785)	-71.20%
- general and administrative expenses	(61)	(13)	369.23%	(105)	(28)	275.00%
Interest expenses	(161)	(188)	-14.36%	(387)	(367)	5.45%
Property, plant and equipment written off	-	-	n.m	(28)	-	n.m
Impairment loss on investment in available-for-sale financial assets	(1)	(3)	n.m	(4)	(3)	n.m

n.m = Not meaningful

**1(b)(i) A statement of financial position or balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Note	Group		Company	
		As at 30 June 2017 S\$'000	As at 31 December 2016 S\$'000 (Audited)	As at 30 June 2017 S\$'000	As at 31 December 2016 S\$'000 (Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Trade and other receivables	1(b)(ii)	7,310	11,655	6,304	5,915
Inventories		-	314	-	-
Amounts due from related corporation		4,323	-	4,323	6,612
Amounts due from subsidiaries		-	-	1,840	-
Cash and cash equivalents		10,858	14,163	9,513	11,437
<b>Total current assets</b>		<b>22,491</b>	<b>26,132</b>	<b>21,980</b>	<b>23,964</b>
<b>Non-current assets</b>					
Property, plant and equipment		1,724	31,056	270	-
Investment in subsidiaries		-	-	4,091	3,891
Available-for-sale financial assets		6	10	-	-
Amounts due from related corporation		9,071	-	9,071	9,537
Trade and other receivables	1(b)(ii)	-	614	-	-
Deferred income tax asset		13	-	-	-
<b>Total non-current assets</b>		<b>10,814</b>	<b>31,680</b>	<b>13,432</b>	<b>13,428</b>
<b>Total assets</b>		<b>33,305</b>	<b>57,812</b>	<b>35,412</b>	<b>37,392</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	1(b)(iii)	827	14,845	270	555
Amounts due to subsidiaries		-	-	5,758	6,252
Finance lease liabilities	1(b)(iv)	206	291	-	-
Borrowings	1(b)(iv)	-	1,881	-	-
Current income tax liabilities		-	6	-	-
<b>Total current liabilities</b>		<b>1,033</b>	<b>17,023</b>	<b>6,028</b>	<b>6,807</b>
<b>Non-current liabilities</b>					
Trade and other payables	1(b)(iii)	-	7,027	-	-
Finance lease liabilities	1(b)(iv)	88	183	-	-
Deferred income tax liabilities		-	48	-	46
<b>Total non-current liabilities</b>		<b>88</b>	<b>7,258</b>	<b>-</b>	<b>46</b>
<b>Total liabilities</b>		<b>1,121</b>	<b>24,281</b>	<b>6,028</b>	<b>6,853</b>
<b>NET ASSETS</b>		<b>32,184</b>	<b>33,531</b>	<b>29,384</b>	<b>30,539</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		32,533	32,533	32,533	32,533
Currency translation reserve		(147)	594	-	-
(Accumulated losses)/retained earnings		(660)	3,534	(3,149)	(1,994)
Capital reserve		182	182	-	-
		31,908	36,843	29,384	30,539
<b>Non-controlling interests</b>		276	(3,312)	-	-
<b>Total equity</b>		<b>32,184</b>	<b>33,531</b>	<b>29,384</b>	<b>30,539</b>

**1(b)(ii) Trade and other receivables comprises:**

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		June 2017	December 2016	June 2017	December 2016
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>					
Trade receivables		741	3,729	-	-
Accrued service revenue		145	195	-	-
		886	3,924	-	-
Advance payment to supplier		27	1,356	-	-
GST recoverable		64	40	40	7
Profit guarantee due from vendors		5,890	5,890	5,890	5,890
Sundry receivables		293	114	285	8
		7,160	11,324	6,215	5,905
Deposits		128	232	71	5
Prepayments		22	99	18	5
		7,310	11,655	6,304	5,915
<b>Non-current assets</b>					
Sundry receivables		-	614	-	-

**1(b)(iii) Trade and other payables comprises:**

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		June 2017	December 2016	June 2017	December 2016
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Current liabilities</b>					
Trade payables		155	542	-	-
Accruals		308	1,373	29	543
Shareholders' loans		-	5,965	-	-
GST payable		48	79	-	7
Other payables		316	6,886	241	5
		827	14,845	270	555
<b>Non-current liabilities</b>					
Shareholders' loans		-	6,962	-	-
Post-employment benefits obligation		-	65	-	-
		-	7,027	-	-

**1(b)(iv) Aggregate amount of group's borrowings and debt securities.**

	Note	Group			
		As at 30 June 2017		As at 31 December 2016	
		Secured	Unsecured	Secured	Unsecured
		S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		206	-	2,172	-
Amount repayable after one year		88	-	183	-

**Details of collateral**

The Group's finance lease liabilities and bank borrowings are secured by the leased assets, pledged deposits and corporate guarantees.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group		Group	
		3 Months Ended 30 June 2017 S\$'000	2016 S\$'000	6 Months Ended 30 June 2017 S\$'000	2016 S\$'000
<b>Cash flows from operating activities</b>					
(Loss)/profit after tax		(2,263)	1,070	(2,386)	218
<b>Adjustments for:</b>					
Income tax expense/(credit)		1	(7)	8	(19)
Depreciation of property, plant and equipment		103	860	619	1,813
Impairment loss on investment in available-for-sale financial assets		1	3	4	3
Property, plant and equipment written off		-	-	28	-
Loss from disposal of property, plant and equipment		-	-	4	-
Amortisation expense on intangible asset		-	82	-	166
Unrealised currency translation losses/(gains)		973	(1,108)	2,271	352
Effect of deconsolidation of subsidiary		2,536	-	2,536	-
Interest income		(127)	(15)	(138)	(29)
Interest expense		161	187	387	366
Change in working capital, net of effects from acquisition of subsidiaries:		1,385	1,072	3,333	2,870
Trade receivables and other receivables		(740)	(2,246)	(1,242)	(3,697)
Inventories		-	(234)	(69)	(193)
Trade payables, other payables and accruals		(1,167)	(1,209)	(3,031)	(2,699)
<b>Cash used in operations</b>		<b>(522)</b>	<b>(2,617)</b>	<b>(1,009)</b>	<b>(3,719)</b>
Interest received		127	15	138	29
Interest paid		(161)	(187)	(387)	(366)
Income tax paid		-	(16)	-	(16)
<b>Net cash used in operating activities</b>		<b>(556)</b>	<b>(2,805)</b>	<b>(1,258)</b>	<b>(4,072)</b>
<b>Cash flows from investing activities</b>					
Refund of deposit from proposed investment		-	1,000	-	-
Deposit placed for proposed investments	a	-	1,000	-	1,000
Purchase of property, plant and equipment		(123)	(28)	(470)	(35)
<b>Net cash (used in)/generated from investing activities</b>		<b>(123)</b>	<b>1,972</b>	<b>(470)</b>	<b>965</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	1459	-	1459
Repayment of bank borrowings		-	-	(1,227)	-
Repayment of finance lease liabilities		(77)	(105)	(180)	(213)
Decrease/(increase) in short-term deposits pledged	b	24	(162)	(887)	(164)
Dividend paid to non-controlling interest by a subsidiary		-	-	(50)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(53)</b>	<b>1,192</b>	<b>(2,344)</b>	<b>1,082</b>
Net (decrease)/increase in cash and cash equivalents		(732)	359	(4,072)	(2,025)
Cash and cash equivalents at beginning of financial period		7,284	8,941	10,748	11,217
Effect of currency translation on cash and cash equivalents		4	(36)	(120)	72
<b>Cash and cash equivalents at end of financial period</b>		<b>6,556</b>	<b>9,264</b>	<b>6,556</b>	<b>9,264</b>
<b>Cash and cash equivalents</b>					
Cash and bank balances		10,858	10,829	10,858	10,829
Less: Fixed deposits pledged with financial institutions		(4,302)	(1,565)	(4,302)	(1,565)
<b>Cash and cash equivalents at end of financial period</b>		<b>6,556</b>	<b>9,264</b>	<b>6,556</b>	<b>9,264</b>

Notes:-

- Refundable deposit placed for proposed investment in NBN Scaffolding Pte Ltd. However, the proposed investment had been terminated with the effect from 14 April 2016 and the deposit has since been fully refunded to the Company as announced on 15 April 2016.
- Short-term deposits are pledged in relation to the banking facilities granted to the subsidiaries.

**1(d)(i) A statement (for the issuer and) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital	Retained earnings/ (accumulated losses)	Currency translation reserve	Capital reserve	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>FOR 6 MONTHS ENDED 30 JUNE</b>							
<b>GROUP</b>							
<b>Balance as at 1 January 2017</b>	32,533	3,534	594	182	36,843	(3,312)	33,531
Net loss for the period	-	(2,282)	-	-	(2,282)	(104)	(2,386)
Other comprehensive loss for the period	-	-	(35)	-	(35)	-	(35)
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
Disposal of Subsidiary	-	(1,912)	(706)	-	(2,618)	3,742	1,124
<b>Balance as at 30 June 2017</b>	<b>32,533</b>	<b>(660)</b>	<b>(147)</b>	<b>182</b>	<b>31,908</b>	<b>276</b>	<b>32,184</b>
<b>Balance as at 1 January 2016</b>	29,575	15,513	(105)	182	45,165	12,129	57,294
Net (loss)/profit for the period	-	(324)	-	-	(324)	542	218
Other comprehensive loss for the period	-	-	(544)	-	(544)	(625)	(1,171)
<b>Balance as at 30 June 2016</b>	<b>29,575</b>	<b>15,189</b>	<b>(649)</b>	<b>182</b>	<b>44,297</b>	<b>12,046</b>	<b>56,343</b>
<b>COMPANY</b>							
<b>Balance as at 1 January 2017</b>	32,533	(1,994)	-	-	30,539	-	30,539
Net loss for the period	-	(1,155)	-	-	(1,155)	-	(1,155)
<b>Balance as at 30 June 2017</b>	<b>32,533</b>	<b>(3,149)</b>	<b>-</b>	<b>-</b>	<b>29,384</b>	<b>-</b>	<b>29,384</b>
<b>Balance as at 1 January 2016</b>	29,575	11,267	-	-	40,842	-	40,842
Net loss for the period	-	(920)	-	-	(920)	-	(920)
<b>Balance as at 30 June 2016</b>	<b>29,575</b>	<b>10,347</b>	<b>-</b>	<b>-</b>	<b>39,922</b>	<b>-</b>	<b>39,922</b>
<b>FOR 3 MONTHS ENDED 30 JUNE</b>							
<b>GROUP</b>							
<b>Balance as at 1 April 2017</b>	32,533	3,207	341	182	36,263	(3,259)	33,004
Net loss for the period	-	(1,955)	-	-	(1,955)	(308)	(2,263)
Other comprehensive loss for the period	-	-	218	-	218	101	319
Disposal of Subsidiary	-	(1,912)	(706)	-	(2,618)	3,742	1,124
<b>Balance as at 30 June 2017</b>	<b>32,533</b>	<b>(660)</b>	<b>(147)</b>	<b>182</b>	<b>31,908</b>	<b>276</b>	<b>32,184</b>
<b>Balance as at 1 April 2016</b>	29,575	14,715	(622)	182	43,850	11,476	55,326
Net profit for the period	-	474	-	-	474	596	1,070
Other comprehensive loss for the period	-	-	(27)	-	(27)	(26)	(55)
<b>Balance as at 30 June 2016</b>	<b>29,575</b>	<b>15,189</b>	<b>(649)</b>	<b>182</b>	<b>44,297</b>	<b>12,046</b>	<b>56,343</b>
<b>COMPANY</b>							
<b>Balance as at 1 April 2017</b>	32,533	(2,787)	-	-	29,746	-	29,746
Net loss for the period	-	(362)	-	-	(362)	-	(362)
<b>Balance as at 30 June 2017</b>	<b>32,533</b>	<b>(3,149)</b>	<b>-</b>	<b>-</b>	<b>29,384</b>	<b>-</b>	<b>29,384</b>
<b>Balance as at 1 April 2016</b>	29,575	10,515	-	-	40,090	-	40,090
Net loss for the period	-	(168)	-	-	(168)	-	(168)
<b>Balance as at 30 June 2016</b>	<b>29,575</b>	<b>10,347</b>	<b>-</b>	<b>-</b>	<b>39,922</b>	<b>-</b>	<b>39,922</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Share Capital**

There was no change in the company's share capital since 31 December 2016.

Reference is made to the Company's announcements dated 20 June 2017, 21 July 2017, 25 July 2017 and 31 July 2017 relating to the proposed subscription of 9,281,166 new ordinary shares in the capital of the Company at an issue price of S\$0.348 per subscription share (the "Subscription Shares") (the "Subscription Announcements"). As stated in the Subscription Announcements, the Company has received approval in-principle from the Singapore Exchange Securities Trading Limited for the listing and quotation of the Subscription Shares, which is subject to, among others, the approval of the shareholders of the Company (the "Shareholders"). As announced by the Company on 25 July 2017, the Company will be convening an extraordinary general meeting ("EGM") to seek such approval. A circular containing further information on the Subscription, together with a notice of EGM of the Company, will be dispatched by the Company to the Shareholders in due course.

**Convertible Securities**

The company does not have any share scheme, treasury shares or subsidiary holdings as at 30 June 2017 and as at the end of the corresponding period of the immediately preceding financial year.

There were no warrants being exercised and converted into ordinary shares in the capital of the company during the second quarter ended 30 June 2017 and the year ended 31 December 2016. As set out in the Company's announcement dated 21 March 2017, these warrants expired on 21 April 2017.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.**

Number of shares	As at 30 June 2017	As at 31 December 2016
Total number of issued shares (excluding treasury shares)	46,405,830	46,405,830

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which Auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those used in the most recent audited financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial period compared with the most recently audited financial statements for the financial year ended 31 December 2016, except for the adoption of the Financial Reporting Standards ("FRSs") and Interpretation of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2017. The adoption of these new FRS and INT FRS has no material impact to the results of the Group and of the Company for the current financial period reported on.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group 3 Months Ended 30 June		Group 6 Months Ended 30 June	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
<b>(Loss)/profit per share</b>				
(i) Based on weighted average number of ordinary shares on issue (cents)	(4.21)	1.22	(4.92)	(0.84)
(ii) On a fully diluted basis (cents) *	(4.21)	1.22	(4.92)	(0.84)
<b>Number of ordinary shares</b>	46,405,830	38,671,830	46,405,830	38,671,830

\*No potential diluted ordinary shares as the warrants is anti-dilutive.

**7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current period reported on; and  
(b) immediately preceding financial year.

	As at 30 June 2017	As at 31 December 2016
<b>GROUP</b>		
Net asset value per ordinary shares - dollars	0.69	0.72
<b>COMPANY</b>		
Net asset value per ordinary shares - dollars	0.63	0.66
Number of issued shares as at end of the period/year	46,405,830	46,405,830

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Reference is made to the Company's announcements dated 22 August 2016, 15 September 2016, 7 October 2016, 24 November 2016, 30 November 2016, 18 January 2017, 24 January 2017, 28 February 2017 and 4 August 2017 (the "PT MII Announcements") regarding the dispute between, among others, Mr Sudirman Kurniawan ("Sudirman") and the Company (the "PT MII Dispute") arising out of the conditional sale and purchase agreement dated 17 March 2015 and the supplemental sale and purchase agreement dated 3 August 2015 (collectively, the "SPA") entered into between Sudirman, Angelo Fernandus ("Angelo") and the Company for the acquisition by the Company of approximately 49% of the entire issued and paid-up capital of PT Momentum Indonesia Investama ("PT MII").



As announced by the Company on 28 February 2017, the Company had on 18 January 2017 succeeded in its application for, among others, that Sudirman and Angelo shall procure the appointment(s) of such person(s) to the board of directors of PT MII as shall be nominated by the Company. Subsequently, two of the Company's nominees have been appointed to the board of directors of PT MII (as defined in paragraph 10) on 21 February 2017 (the "Nominees"), and the Company's auditors have been granted access to PT MII's records on 20 February 2017. On this basis, PT MII was thus consolidated in the financial results of the Group for the full year ended 31 December 2016 and has also been consolidated in the financial results of the Group for the first quarter ended 31 March 2017.

Despite the fact that the Company has appointed the Nominees to the board of directors of PT MII, the Company's requests to PT MII since May 2017 for the Nominees to be added as bank signatories of PT MII have not been acceded to.

On 4 August 2017, the Company had announced that the Batam district court had declared on 17 May 2017 that, inter alia, it had no jurisdiction to hear the claim by Sudirman Kurniawan to declare that certain clauses of the SPA relating to the right of the Company to appoint directors to the board of PT MII are null and void. In response to the court's decision, Sudirman Kurniawan filed an appeal to the Riau High Court on 24 May 2017. The Company's Indonesian counsel received the memorandum of appeal from the Riau High Court on 28 July 2017.

The Company is of the opinion that in light of its inability to appoint the Nominees as bank signatories of PT MII, as well as Sudirman's continued resistance to the Company's right to appoint directors to the board of PT MII, (a) the Company does not have effective control over PT MII and (b) the reliability of PT MII's accounts from 1 April 2017 onwards is in doubt.

In light of the foregoing, the Company has deconsolidated PT MII (and thus the Company's Marine Logistics segment) with effect from 1 April 2017 and has instead classified its investment in PT MII as an "available-for-sale asset with effect from 1 April 2017.

#### **Financial Performance – 2Q2017 vs 2Q2016**

As a result of the deconsolidation of Marine Logistics segment, revenue decreased by S\$5.1 million or 88.65% from S\$5.7 million in 2Q2016 to S\$0.6 million in 2Q2017, gross profit decreased by S\$2.1 million or 110.92% from S\$1.9 million in 2Q2016 to a gross loss of S\$0.2 million in 2Q2017.

Other income increased by S\$0.1 million or 595% from S\$20,000 in 2Q2016 to S\$0.1 million in 2Q2017 mainly due to recognition of loan interest income from PT MII.

Other (losses)/gains decreased by S\$1.1 million or 395.97% from a gain of S\$0.3 million in 2Q2016 to a loss of S\$0.8 million in 2Q2017 mainly due to the foreign exchange loss arising from the revaluation of the USD loan extended to PT MII.

General and administrative expenses increased by S\$0.3 million or 29.25% from S\$0.9 million in 2Q2016 to S\$1.2 million in 2Q2017 mainly due to the professional fees incurred pertaining to PT MII legal case, depreciation charge for office renovation and personnel related cost.

Finance costs decreased by S\$27,000 from S\$188,000 in 2Q2016 to S\$161,000 in 2Q2017 mainly due to lower interest cost as a result of deconsolidating Marine Logistics segment partially offset by the recognition of amortised interest relating to loan.

The Group recorded a loss of S\$2.3 million after tax in 2Q2017 compared to profit of S\$1.1 million in 2Q2016. This was mainly due to the deconsolidation of the Marine Logistics segment, losses incurred by the Construction Logistics segment and unrealised foreign exchange losses.

#### **Financial Performance – 1H2017 vs 1H2016**

As a result of the deconsolidation of Marine Logistics segment, revenue decreased by S\$5.3 million or 48.30% from S\$10.9 million in 1H2016 to S\$5.6 million in 1H2017, gross profit decreased by S\$2 million in 1H2017 from S\$3 million in 1H2016 to S\$1 million in 1H2017.

Other income increased by S\$0.1 million or 145.95% from S\$0.1 million in 1H2016 to S\$0.2 million in 1H2017 mainly due to recognition of loan interest income from PT MII.

Other losses decreased by S\$0.1 million from S\$0.7 million in 1H2016 to S\$0.6 million in 1H2017 mainly was due to fluctuation in foreign exchange.

General and administrative expenses increased by S\$0.7 million or 40.64% from S\$1.7 million in 1H2016 to S\$2.4 million in 1H2017 mainly due to the professional fees incurred pertaining to PT MII legal case, depreciation charge for office renovation and personnel related cost.

The Group recorded a loss after tax of S\$2.4 million in 1H2017 compared to a profit after tax of S\$0.2 million in 1H2016.

#### **Cash flow – 2Q2017 vs 2Q2016**

The Group's cash and cash equivalents was S\$6.6 million as at 30 June 2017. Net cash used in operating activities was S\$0.6 million in 2Q2017 compared to net cash used in operating activities of S\$2.8 million in 2Q2016. The net cash generated from operating activities in 2Q2017 compared to 2Q2016 were mainly due to the decreased in trade and other receivables and unrealised currency translation losses.

Net cash used in investing activities of S\$0.1 million in 2Q2017 compared to net cash generated from investing activities of S\$2 million in 2Q2016. This was mainly due to the refund of deposit of S\$2.0 million from the proposed investment in 2Q2016.

Net cash used in financing activities of S\$53,000 in 2Q2017 and S\$1.2 million in 2Q2016 mainly due to decreased term loan from banker in Marine logistics segment.

### **Cash flow – 1H2017 vs 1H2016**

The Group's cash and cash equivalents was S\$6.6 million as at 30 June 2017. Net cash used in operating activities was S\$1.3 million in 1H2017 compared to net cash used in operating activities of S\$4.1 million in 1H2016. The net cash used in operating activities in 1H2017 compared to 1H2016 were mainly due to the decreased in trade and other receivables and increased in unrealised currency translation losses.

Net cash used in investing activities was S\$0.5 million in 1H2017 compared to net cash generated from investing activities of S\$1 million in 1H2016. This was mainly due to the refund of deposit of S\$1.0 million from the proposed investment in NBN Scaffolding Pte Ltd in 1H2016.

Net cash used in financing activities was S\$2.3 million in 1H2017 compared to net cash generated from financing activities of S\$1.1 million in 1H2016. This was mainly due to the repayment for term loan in Marine Logistics segment for working capital purposes in Q1.

### **Financial Position**

Non-current assets decreased by S\$20.9 million or 65.93% from S\$31.7 million as at 31 December 2016 to S\$10.8 million as at 30 June 2017 mainly due to deconsolidation of Marine Logistics segment.

Current assets decreased by S\$3.6 million or 13.79% from S\$26.1 million as at 31 December 2016 to S\$22.5 million as at 30 June 2017, mainly due to decrease in cash and cash equivalents as highlighted in the cash flow statement above and deconsolidation of Marine Logistics segment.

As a result of the deconsolidation of Marine Logistics segment, non-current liabilities decreased by S\$7.2 million or 98.63% from S\$7.3 million as at 31 December 2016 to S\$0.1 million as at 30 June 2017, current liabilities decreased by S\$16 million or 94.12% from S\$17 million as at 31 December 2016 to S\$1 million as at 30 June 2017.

### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There was no forecast, or any prospect statement previously disclosed.

### **10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

On 4 August 2017, the Company's announced that its Indonesian counsel has received a Memorandum of Appeal from the Riau High Court on 28 July 2017, following Sudirman Kurniawan's filing of an appeal on 24 May 2017 to the Riau High Court in relation to the rights of the Company to nominate Indonesian nationals as Directors to PT Momentum Indonesia Investama ("PT MII"). The Company will be filing a Counter-Memorandum of Appeal to the Riau High Court following a consultation with its Indonesian counsel.

Consequently, as the legal disputes on the Company's control of PT MII are yet to be resolved, it's necessary for the Board to decide on deconsolidation of the PT MII accounts as the Company has no control or influence on accounts and has no confidence on the reliability of PT MII's financial statements for the six months ended 30 June 2017.

Separately, following a strategic review of the Group's construction logistics business, the Group has decided to seek opportunities overseas in the ASEAN countries, principally with regard to infrastructure, commercial, and residential projects in Indonesia, Myanmar and Malaysia. The Group is currently considering different avenues to enter these markets, and will also seek out property-related business as part of its diversification.

### **11. Dividend**

#### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

#### **(c) Date payable**

NA.

#### **(d) Books closure date**

NA.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/recommendeded.

**13. Interested person transactions**

No IPT mandate has been obtained from shareholders. There was no IPT during the first half of 2017.

**14. Use of proceeds from offerings pursuant to Chapter 8 of the Listing Manual**

The Company had completed the allotment and issue of an aggregate of 7,734,000 new ordinary shares at S\$0.3825 for each subscription share in the capital of the Company ("**Subscription Shares**") on 31 October 2016. Following the completion of the allotment and issue of the Subscription Shares, the net proceeds of approximately S\$2.9 million have not been utilised as at the date of this announcement.

**15. Negative confirmation by the Board pursuant to Rule 705(5)**

We, Mr Stephen Leong, BBM and Mr William Teo Choon Kow, BBM, being two of the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year ended 30 June 2017 to be false or misleading in any material aspect.

**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

**BY ORDER OF THE BOARD**

Tan Cheang Shiong  
Chief Executive Officer

10 August 2017