**(Incorporated in the Republic of Singapore)**
**(Registration No: 200613299H)**

**UNAUDITED FINANCIAL STATEMENT FOR THE THIRD QUARTER PERIOD ENDED 30 SEPTEMBER 2016**

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

**1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | Unaudited 3rd Quarter Ended | | | Unaudited 9 Months Ended | | |
|---|---|---|---|---|---|---|
| | 30/09/2016 | 30/09/2015 | (+/-) | 30/09/2016 | 31/12/2015 | (+/-) |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **Continuing Operations** | | | | | | |
| Revenue | 105 | 591 | -82% | 1,100 | 1,409 | -22% |
| Cost of sales | - | (607) | -100% | (6) | (2,085) | -100% |
| **Gross Profit** | 105 | (16) | -756% | 1,094 | (676) | -262% |
| **Other items of Income** | | | | | | |
| Other income | 48 | 1 | 4700% | 83 | 30 | 177% |
| **Other items of Expense** | | | | | | |
| Administrative expenses | (454) | (502) | -10% | (1,217) | (900) | 35% |
| Finance costs | (1) | (128) | -99% | (4) | (327) | -99% |
| Other expenses | - | (29) | -100% | 7 | (23,728) | -100% |
| Profit/(loss) before income tax | **(302)** | **(674)** | -55% | **(37)** | **(25,601)** | -100% |
| **Profit/(loss) before tax from continuing operations** | (302) | (674) | -55% | (37) | (25,048) | -100% |
| **Profit/(loss) before tax from discontinued operations** | - | - | - | - | (553) | -100% |
| **Profit/(loss) for the financial year** | **(302)** | **(674)** | -55% | **(37)** | **(25,601)** | -100% |
| **Total comprehensive income for the financial year** | **(302)** | **(674)** | -55% | **(37)** | **(25,601)** | -100% |
| **Profit/(Loss) for period attributable to:** | | | | | | |
| *Owners of the company* | | | | | | |
| - Continuing operations | (302) | (792) | -62% | (37) | (25,376) | -100% |
| - Discontinued operations | - | - | - | - | - | - |
| | **(302)** | **(792)** | -62% | **(37)** | **(25,376)** | -100% |
| *Non-controlling interests* | | | | | | |
| - Continuing operations | - | 118 | -100% | - | (225) | -100% |
| - Discontinued operations | - | - | - | - | - | - |
| | - | **118** | -100% | - | **(225)** | -100% |
| | **(302)** | **(674)** | -55% | **(37)** | **(25,601)** | -100% |

**1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

| **Total Comprehensive Income for the period attributable to:** | | | | | | |
|---|---|---|---|---|---|---|
| *Owners of the company* | | | | | | |
| *- Continuing operations* | (302) | (792) | -62% | (37) | (25,376) | -100% |
| *- Discontinued operations* | - | - | - | - | - | - |
| | **(302)** | **(792)** | -62% | **(37)** | **(25,376)** | -100% |
| *Non-controlling interests* | | | | | | |
| *- Continuing operations* | - | 118 | -100% | - | (225) | -100% |
| *- Discontinued operations* | - | - | - | - | - | - |
| | - | **118** | -100% | - | **(225)** | -100% |
| | **(302)** | **(674)** | -55% | **(37)** | **(25,601)** | -100% |

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.**

Profit before tax is arrived at after charging the following items:

| | **Unaudited** | |
|---|---|---|
| | **3rd Quarter Ended** | |
| | **30/09/2016** | **30/09/2015** |
| | **S$'000** | **S$'000** |
| Depreciation of Property, Plant & Equipment | 10 | 52 |

**1(a)(iii) Other expenses**

| | **3rd Quarter Ended** | |
|---|---|---|
| | **30/09/2016** | **30/09/2015** |
| | **S$'000** | **S$'000** |
| Unrealised Exchange gain/(loss), Net | 7 | (29) |
| | 7 | (29) |

**1(b)(i) A statement of financial position together with a comparative statement for the corresponding periods of the immediately preceding year:**

| | Group | | Company | |
|---|---|---|---|---|
| | Unaudited 30/09/2016 S$'000 | Audited 31/12/2015 S$'000 | Unaudited 30/09/2016 S$'000 | Audited 31/12/2015 S$'000 |
| **Assets** | | | | |
| **Non-Current assets** | | | | |
| Impairment for investment | - | - | (100) | - |
| Investment in subsidiaries | - | - | 101 | - |
| Property, plant and equipment | 43 | 45 | 43 | 45 |
| | 43 | 45 | 44 | 45 |
| **Current Assets** | | | | |
| Trade receivables | 1,004 | 160 | 264 | - |
| Other receivables | 92 | 616 | 10 | 46 |
| Due from subsidiaries | - | - | 431 | 12 |
| Prepaid operating expenses | 83 | 20 | 77 | 20 |
| Cash and cash equivalents | 1,586 | 6 | 1,586 | 6 |
| | 2,765 | 802 | 2,368 | 84 |
| **Total Assets** | **2,808** | **847** | **2,412** | **129** |
| **Equity and Liabilities** | | | | |
| **Equity** | | | | |
| **Capital and reserves attribtable to equity holders of the company** | | | | |
| Share capital | 122,219 | 121,992 | 122,219 | 121,992 |
| Other reserve | 2,421 | 2,421 | 2,421 | 2,421 |
| Foreign currency translation reserve | (1) | - | - | - |
| Profit/(Loss) for the year | (37) | - | (642) | - |
| Accumulated profit/(loss) | (131,116) | (131,116) | (131,075) | (131,075) |
| | (6,514) | (6,703) | (7,077) | (6,662) |
| *Non-controlling interest* | - | - | - | - |
| **Total Equity** | (6,514) | (6,703) | (7,077) | (6,662) |
| **Current liabilities** | | | | |
| Loan and borrowings | 7,740 | 5,319 | 7,740 | 5,319 |
| Trade payables | 808 | 1,341 | 774 | 583 |
| Other payables | - | 465 | - | 424 |
| Due to directors | 430 | - | 430 | - |
| Due to subsidiaries | - | - | 201 | 40 |
| Other liabilities | 344 | 425 | 344 | 425 |
| | 9,322 | 7,550 | 9,489 | 6,791 |
| **Non Current liabilities** | | | | |
| Borrowings | - | - | - | - |
| **Total liabilities** | 9,322 | 7,550 | 9,489 | 6,791 |
| **Total Equity and Liabilities** | **2,808** | **847** | **2,412** | **129** |

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

**Amount repayable in one year or less, or on demand**

| | As at 30/09/2016 | | As at 31/12/2015 | |
|---|---|---|---|---|
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Obligation under finance lease | - | - | - | - |
| Borrowings | 7,740 | - | 5,319 | - |
| | 7,740 | - | 5,319 | - |

**Amount repayable after one year**

| | As at 30/09/2016 | | As at 31/12/2015 | |
|---|---|---|---|---|
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Obligation under finance lease | - | - | - | - |
| Borrowings | - | - | - | - |
| | - | - | - | - |

**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 | Unaudited 30/09/2016 S$'000 | Unaudited 30/09/2015 S$'000 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Profit (Loss) before tax for continuing operations | | (37) | (25,048) |
| Profit (Loss) before tax for discontinued operations | | - | (553) |
| | | (37) | (25,601) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 10 | 72 |
| Share based payment * | | 2,470 | - |
| Translation reserve | | (1) | (3) |
| Impairment of investment | | - | 23,380 |
| Provision | | - | 750 |
| Finance costs | | 4 | - |
| **Operating cash flows before changes in working capital** | | 2,446 | (1,402) |
| Changes in working capital: | | | |
| Decrease (increase) in gross amount due from customer for contract work-in-progress | | - | (111) |
| Increase (decrease) in gross amount due to customer for contract work-in-progress | | - | (188) |
| Decrease (increase) in Inventories | | - | (12) |
| Decrease (increase) in trade and other receivables | | (320) | (3,448) |
| Decrease (increase) in prepaid operating expenses | | (63) | (40) |
| Increase (decrease) in trade and other payables | | (1,080) | (21,655) |
| Increase (decrease) in amount due to directors | | 430 | (150) |
| Increase (decrease) in other liabilities | | - | (297) |
| **Cash flows from/(used in)operations** | | 1,413 | (27,303) |
| Interest paid | | (4) | (122) |
| Income taxes paid | | - | - |
| **Net cash flows from operating activities** | | 1,409 | (27,425) |
| **Cash flows from Investing Activities** | | | |
| Net cash inflow on disposal of subsidiaries | | | |
| Purchase of property, plant and equipment | | (8) | (887) |
| Disposal of subsidiaries, net of cash disposal | | - | (100) |
| **Net cash flows used in investing activities** | | (8) | (987) |
| **Cash flows from Financing Activities** | | | |
| Proceeds from issuance of shares | | 260 | 31,308 |
| Share issuance expense | | (32) | (110) |
| Proceeds from loans and borrowings | | - | (2,640) |
| Repayment of loans and borrowings | | (49) | - |
| Acquisition of non-controlling interest | | - | (293) |
| **Net cash flows (used in)/from financing activities** | | 179 | 28,265 |
| **Net increase in cash and cash equivalents** | | 1,580 | (147) |
| Cash and cash equivalents at beginning of period | | 6 | 169 |
| **Cash and cash equivalents at end of period** | | 1,586 | 22 |

* subject to shareholder approval

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

| | Attributable to owners of the company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Unaudited 2016 - Group** | **Share capital S$'000** | **Other Reserve S$'000** | **Share-based payment reserve S$'000** | **Translation Reserve S$'000** | **Accumulated profit/(loss) S$'000** | **Attributable to Owners of the parent S$'000** | **Non-controlling interests S$'000** | **Total Equity S$'000** |
| ***Balance as at 1 January 2016*** | ***121,992*** | ***-*** | ***2,421*** | ***-*** | ***(131,116)*** | ***(6,703)*** | ***-*** | ***(6,703)*** |
| Profit/(loss) for the period | - | - | - | (1) | (37) | (38) | - | ***(38)*** |
| Total comprehensive income for the period | - | - | - | (1) | (37) | (38) | - | (38) |
| Contributions by and distributions to owners of the | | | | | | | | |
| Issuance of ordinary shares | 259 | - | - | - | - | 259 | - | 259 |
| Share issue expenses | (32) | - | - | - | - | (32) | - | (32) |
| Total transactions with owners in their capacity as owners of the parent | 227 | - | - | - | - | 227 | - | 227 |
| ***Balance as at 30 September 2016*** | ***122,219*** | ***-*** | ***2,421*** | ***(1)*** | ***(131,153)*** | ***(6,514)*** | ***-*** | ***(6,514)*** |

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

| | Attributable to owners of the company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Unaudited 2015 - Group** | **Share capital S$'000** | **Other Reserve S$'000** | **Share-based payment reserve S$'000** | **Translation Reserve S$'000** | **Accumulated profit/(loss) S$'000** | **Attributable to Owners of the parent S$'000** | **Non-controlling interests S$'000** | **Total Equity S$'000** |
| ***At 1 January 2015*** | ***95,482*** | ***(5,200)*** | ***-*** | ***(2)*** | ***(87,148)*** | ***3,132*** | ***69*** | ***3,201*** |
| Profit/(loss) for the period | | | | | (43,968) | (43,968) | 224 | ***(43,743)*** |
| Other comprehensive income | | | | | | | | |
| Foreign currency translation reserve | - | - | - | (8) | - | (8) | (4) | (12) |
| Foreign Currency Translation differences, reclassified to profit and loss on disposal of foreign operation | - | - | - | 10 | - | 10 | 4 | 14 |
| Total comprehensive income for the period | - | - | - | 2 | (43,968) | (43,966) | 224 | (43,741) |
| Contributions by and distributions to owners of the | | | | | | | | |
| Issuance of ordinary shares | 26,650 | 5,200 | - | - | - | 31,850 | - | 31,850 |
| Share issue expenses | (140) | - | - | - | - | (140) | - | (140) |
| Total transactions with owners in their capacity as owners of the parent | 26,510 | 5,200 | - | - | - | 31,710 | - | 31,710 |
| Share-based payment | - | - | 2,421 | - | - | 2,421 | - | 2,421 |
| Disposal of subsidiaries | - | - | - | - | - | - | (293) | (293) |
| ***At 31 December 2015*** | ***121,992*** | ***-*** | ***2,421*** | ***-*** | ***(131,116)*** | ***(6,703)*** | ***-*** | ***(6,703)*** |

| | Attributable to owners of the parent | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Audited 2015 - Group** | **Share capital S$'000** | **Other Reserve S$'000** | **Share-based payment reserve S$'000** | **Translation Reserve S$'000** | **Accumulated profit/(loss) S$'000** | **Attributable to Owners of the parent S$'000** | **Non-controlling interests S$'000** | **Total Equity S$'000** |
| ***Balance as at 1 January 2015*** | ***95,482*** | **(5,200)** | ***-*** | **(2)** | **(87,148)** | ***3,132*** | ***69*** | ***3,201*** |
| Loss for the year | - | - | - | - | (25,377) | (25,377) | (225) | ***(25,602)*** |
| **Other comprehensive income** | | | | | | | | |
| Foreign exchange translation loss | - | - | - | 2 | - | 2 | - | ***2*** |
| **Total comprehensive income for the year** | - | - | - | 2 | (25,377) | (25,375) | (225) | (25,600) |
| Contributions by and distributions to owners of the | | | | | | | | |
| Issuance of ordinary share | 31,198 | - | - | - | - | 31,198 | - | 31,198 |
| Disposal of subsidiary | - | - | - | - | - | - | (69) | (69) |
| ***Balance as at 30 September 2015*** | ***126,680*** | ***(5,200)*** | ***-*** | ***-*** | ***(112,525)*** | ***8,955*** | ***(225)*** | ***8,730*** |

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

| Unaudited<br>2016 - Company | Share capital<br>S$'000 | Other reserves<br>S$'000 | Share-based payment<br>S$'000 | Accumulated profit/(loss)<br>S$'000 | Total<br>S$'000 |
|---|---|---|---|---|---|
| ***Balance at 1 January 2016*** | **121,992** | **-** | **2,421** | **(131,075)** | **(6,662)** |
| Profit/(loss) for the period | - | - | - | (642) | (642) |
| Other comprehensive income | | | | | |
| Foreign currency translation reserve | - | - | - | - | - |
| **Total comprehensive income for the period** | **121,992** | **-** | **2,421** | **(131,717)** | **(642)** |
| Contributions by and distributions to owners of the | | | | | |
| Issuance of ordinary shares | 259 | - | - | - | 259 |
| Share issue expense | (32) | - | - | - | (32) |
| Total transactions with owners in their capacity as owners of the parent | 227 | - | - | - | 227 |
| ***Balance as at 30 September 2016*** | **122,219** | **-** | **2,421** | **(131,717)** | **(7,077)** |

| Audited<br>2015 - Company | Share capital<br>S$'000 | Reserve funds<br>S$'000 | Share-based payment<br>S$'000 | Accumulated profit/(loss)<br>S$'000 | Total<br>S$'000 |
|---|---|---|---|---|---|
| ***Balance as at 1 January 2015*** | ***95,482*** | ***(5,200)*** | ***-*** | ***(86,730)*** | ***3,552*** |
| Profit/(loss) for the period | - | - | - | (24,614) | ***(24,614)*** |
| **Total comprehensive income for the period** | - | - | - | (24,614) | (24,614) |
| Contributions by and distributions to owners of the | | | | | |
| Issuance of ordinary shares | - | - | - | 31,198 | 31,198 |
| **Balance as at 30 September 2015** | **95,482** | **(5,200)** | **-** | **(111,344)** | **10,136** |

**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. The number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

Details of ordinary share capital movements are as shown below:

| As at 30/09/2016 | | As at 30/09/2015 | |
|---|---|---|---|
| **No of shares** | **S$** | **No of shares** | **S$** |
| 1,714,972,829 | 122,219,375 | 1,561,763,799 | 126,679,087 |

**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 year.**

| **Company** | **30/09/2016** | **30/09/2015** |
|---|---|---|
| Total number of issued shares | 1,714,972,829 | 1,561,763,799 |

There are no treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

**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.

**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 by the auditors.

**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.**

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2015 have been applied in the preparation for the financial statements for the financial year ended 30 September 2016 except that the Group has adopted the new and revised Financial Reporting Standards (FRS) and interpretations of FRS (INT FRS) which became effective for annual period beginning on 1 January 2016 or otherwise stated.

**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 adoption of the new and revised FRS and INT FRS does not have any material financial impact on the Group's and Company's financial statements for the current year.

**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. (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

| | 3rd Quarter Ended | |
|---|---|---|
| | **30/09/2016** | **30/09/2015** |
| | **SGD (cents)** | **SGD (cents)** |
| Profit per share | | |
| Basic | (0.002) | (1.639) |
| Diluted | (0.002) | (1.639) |

**The basic and diluted EPS is computed using loss attributable to shareholders in the relevant periods over the weighted average number of shares as shown below:**

| | **30/09/2016** | **30/09/2015** |
|---|---|---|
| | **No of Shares** | **No of Shares** |
| Basic | 1,714,972,829 | 1,561,763,799 |
| Diluted | 1,714,972,829 | 1,561,763,799 |

Net asset value per ordinary share of the Group was calculated based on the share capital of 1,714,972,829 (FY2015：1,561,763,799) shares.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

| | Group | | Company | |
|---|---|---|---|---|
| | 30/09/2016 SGD (cents) | 31/12/2015 SGD (cents) | 30/09/2016 SGD (cents) | 31/12/2015 SGD (cents) |
| Net asset value per ordinary shares | 0.38 | 0.40 | 0.41 | 0.39 |

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**REVIEW OF INCOME STATEMENT**

The Group reported a net loss of S$0.037 million for 9 months ended 30 September 2016. An analysis of the statement of comprehensive income is as follows:

**Revenue**

The Group's total revenue of S$0.105 million for the 3Q2016 decreased 82% compared to the Prior Corresponding Period ("PCP") (3Q2015: S$0.591 million). The decrease in revenue in 3Q2016 as compared to 3Q2015 is largely due to the disposal of Micro Power Plants in Korea in FY2015 and the reduction in management fees from Magnum Modular Power Generation Pte Ltd as per announcement on 30 May 2016.

**Cost of Sales**

Cost of sales decreased by S$0.607 million or 100% in 3Q2016, compared to the PCP (3Q2015: S$0.607 million) due to disposal of subsidiaries in Malaysia and Korea in FY2015.

**Other Income**

The Group reported a nominal other income of S$0.048 million for the 3Q2016, increased 4700% compared to the PCP (3Q2015: S$0.001 million). The increase is largely due to reversal of accrued director fees for FY2015. The Board of Directors had agreed to take a reduced sum of director fees than that agreed and accrued for in FY2015.

**Administrative Expenses**

Total administrative expenses of S$0.454 million for the 3Q2016 were decreased by 10% when compared to the PCP (3Q2015: S$0.502 million). The decrease in administrative expenses is due to reduction in professional fees associated with the subsidiaries that were disposed in FY2015.

**Finance Cost**

The Group reported S$0.001 million of finance cost for the 3Q2016, decreased by 99% when compared to the PCP (3Q2015: S$0.128 million). The significant decrease is due to the reduction in interest-bearing loans undertaken by the Group during 3Q2016 as compared to 3Q2015.

**Other Expenses**

Other expenses decreased by S$0.029 million or 100% due to disposal of non-performing assets recorded in 3Q2015.

## REVIEW OF STATEMENT OF FINANCIAL POSITION

### Non-current assets

Non-current assets decreased by $0.002 million were mainly attributable to the depreciation charges of $0.010 million and the purchase of property, plant and equipment of S$0.008 million in 3Q2016.

All items of property, plant and equipment are initially recorded at cost, subsequently measured at cost less accumulated depreciation.

The amounts recognized in the statement of financial position were determined as follows:

| Group | Carrying Value as at 1 January 2016 S$ '000 | Addition during the period S$ '000 | Depreciation during the period S$ '000 | Carrying Value as at 30 September 2016 S$ '000 |
|---|---|---|---|---|
| Plants and Equipment | 15 | 2 | (3) | 14 |
| Furniture and Fittings | - | 6 | (1) | 5 |
| Office and Computer Equipment | 30 | - | (6) | 24 |
| **Total** | **45** | **8** | **(10)** | **43** |

### Current assets

Current assets increased by S$1.963 million were mainly attributable to the followings:

(i) Increase in trade and other receivables of S$0.32 million mainly due to the longer recoverability time period.

(ii) Increase in cash and cash equivalents of $1.580 million as a result of advance cash injection from placees for placement exercise that was completed on 6 October 2016.

(iii) Decrease in prepaid operating expenses of $0.063 million as a result of lesser investments owned as compared to 3Q2015.

### Current liabilities (excluding borrowings)

Decrease in current liabilities of S$0.649 million were mainly due to:

(i) Decrease in trade and other payables of $0.998 was mainly due to repayment to creditors during the current period

(ii) Increase in due to directors of $0.43 million was in relation to loan of shares from a director to use as collateral for the Group's request to Maiora Asian Structured Finance Fund for an early disbursement of loan amount to the Group.

(iii) Decrease in other liabilities amounting to $0.081 million due to decrease in accrual for the period.

**Loans and borrowings**

Loans and borrowings at the Group level increased from S$5.319 million as at 31 December 2015 to S$7.740 million in 3Q2016. The increase is due to money received from Blue Pegasus Capital Ltd and Vessel Gate Investment Pte Ltd in advance and before the completion of the placement. Placement was completed on 6 October 2016 and shares were listed on 11 October 2016.

**Equity**

Share capital as at 3Q2016 is S$122.219 million (31 December 2015: S$121.992 million). This increase is due to the issuance of shares to ISR Capital Limited as settlement of debt.

**REVIEW OF STATEMENT OF CASH FLOW**

As at 30 September 2016, there was net cash flow from operating activities amounting to S$1.409 million as compared to 3Q2015 of deficit cash flow used in operating activities amounting to S$27.425 million. The increase is mainly due to:-

(i) Decrease in expenses due to the disposal of subsidiaries during FY2015.
(ii) Decrease in trade payables due to settlement of creditors.

Net cash of S$0.179 million generated from financing activities as at 30 September 2016 is mainly due to:

(i) Issuance of shares as repayment of outstanding debt. The issuance of shares has reduced trade payables.
(ii) Loan advances from Maiora Asian Structured Finance Fund with shares loaned from director as collateral.
(iii) Repayment of short term loans.

Cash on hand increased to S$1.586 million as at 3Q2016 as compared to S$0.022 million as at 3Q2015.

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

The current results are in line with the commentary in paragraph 10 of the half year 2016 Results Announcement dated 29 July 2016 as well as the SGXNET announcements released by the Company on 6 October 2016.

**10 A commentary at the date of the announcement of the significant trends and 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.**

Barring any unforeseen circumstances, there are no significant changes in the trends and competitive conditions of the industry in which the Group operates.

Recent Updates

(i) Resignation of Mr. Rajesh Dilip Wadhwani

Mr Rajesh Dilip Wadhwani resigned his position as Independent Director of the Company.

(ii) Formation of Wholly-Owned Subsidiary

The Company has incorporated a wholly owned subsidiary in Japan known as MMP Resources Japan K.K. The principal activity of MMP Resources Japan K.K. is to continue the Company's corporate strategy to focus on construction opportunities, asset acquisitions and brand growth in Tier-1 markets, with a specific focus on the Travel, Hospitality and Leisure ("THL") industry.

(iii) Appointment of New Independent Director

As announced on 22 September 2016, Mr Toshinori Tanabe is being appointed as Independent Director of the Company.

(iv) Share Placement

As announced on 6 October 2016, Placement has been completed and 238,499,662 Placement Shares and 90,071,723 Placement Share were allotted and issued to Blue Pegasus Capital Limited and Vessel Gate Investment Pte Ltd on 11 October 2016.

(v) Intention to Contest Winding Up Application

The Company is disputing the claims made by Edward Lee in the Application and will be vigorously opposing the Application. Edward Lee has filed a second affidavit in the Application on 14 October 2016 to correct a typographical error of the amount claimed pursuant to the statutory demand filed under section 254(1)(e) read with section 254(2)(a) of the Companies Act (Chapter 50) from $5,215,056.56 to S$30,000.

The Company is in the process of a forensic audit and may use the results of such forensic audit to oppose the Application.

**11 If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None.

**(b) (i) Amount per share**

**(ii) Previous corresponding period**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registered Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a shareholders' mandate under Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Company does not have any IPT transaction for the period ended 30 September 2016.

The following transaction involves related parties to the Company. The transaction was an interest free advances with no amount at risk. Therefore, under Rule 909 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company does not deem the transaction as IPT.

| | **9 months ended 30 September 2016** |
|---|---|
| | **S$'000** |
| Loans provided by Non-Executive Chairman (previous Executive Director) | |
| - Drew Ethan Madacsi | 430 (1) |

**Note:**

(1) S$430,000 relates to total value of 86 million shares that were provided by Mr Drew Ethan Madacsi to lender as collateral for loan advances.

**14 Confirmation of undertakings from directors and executive officers.**

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

**15 Negative assurance confirmation of interim financial results pursuant to Rule 705(5) of the listing manual.**

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the third quarter ended 30 September 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Paul Andrew Crosio**
Executive Director

**Gerard Chong Chee Meng**
Independent Director

Singapore
28 October 2016