

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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 September			9 Months Ended 30 September		
	3Q2016 S\$'000	3Q2015 S\$'000	Increase (Decrease) %	9M2016 S\$'000	9M2015 S\$'000	Increase (Decrease) %
Revenue	2,872	1,899	51.24	5,639	5,364	5.13
Cost of sales	(2,730)	(1,639)	66.56	(4,763)	(4,504)	5.75
Gross profit	142	260	(45.38)	876	860	1.86
Other income	89	145	(38.62)	278	282	(1.42)
Other gain/(loss)	315	235	34.04	(405)	558	(172.58)
Expenses						
- Selling and distribution expenses	-	-	-	-	(51)	(100.00)
- General and administrative expenses	(902)	(851)	5.99	(1,987)	(2,327)	(14.61)
- Finance expenses	(6)	(13)	(53.85)	(23)	(39)	(41.03)
- Other expenses	(7)	(65)	(89.23)	(10)	(103)	(90.29)
Loss before income tax	(369)	(289)		(1,271)	(820)	
Income tax expense	-	-	-	-	(52)	(100.00)
Loss after income tax	(369)	(289)		(1,271)	(872)	
Other comprehensive loss: <i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising from consolidation	-	-	-	-	-	-
Total comprehensive loss for the financial period	(369)	(289)	n.m	(1,271)	(872)	n.m
(Loss) / profit attributable to :						
Equity holders of the Company	(309)	(328)	n.m	(1,324)	(979)	n.m
Non-controlling interests	(60)	39	n.m	53	107	n.m
	(369)	(289)	n.m	(1,271)	(872)	n.m
Total comprehensive (loss) / profit attributable to:						
Equity holders of the Company	(309)	(328)	n.m	(1,324)	(979)	n.m
Non-controlling interests	(60)	39	n.m	53	107	n.m
	(369)	(289)	n.m	(1,271)	(872)	n.m

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.

	3 Months Ended 30 September			9 Months Ended 30 September		
	3Q2016 S\$'000	3Q2015 S\$'000	Increase (Decrease) %	9M 2016 S\$'000	9M 2015 S\$'000	Increase (Decrease) %
Other income:						
Interest income from banks/loan	65	70	(7.14)	211	142	48.59
Government grant	22	61	(63.93)	64	123	(47.97)
Sundry income	2	14	(85.71)	3	17	(82.35)
	<u>89</u>	<u>145</u>		<u>278</u>	<u>282</u>	
Other gain/(loss):						
Gain on disposal of property, plant and equipment	83	1	8200.00	121	125	(3.20)
Currency exchange gain/(loss)	227	230	(1.30)	(531)	405	(231.11)
Write back of allowance for doubtful debts (trade)	5	4	25.00	5	28	(82.14)
	<u>315</u>	<u>235</u>		<u>(405)</u>	<u>558</u>	
Other expenses:						
Changes in fair value of financial assets at fair value through profit or loss	-	(7)	(100.00)	-	(45)	(100.00)
Property, plant and equipment written off	-	(58)	(100.00)	-	(58)	(100.00)
Impairment loss on investment in available-for-sale financial assets	(7)	-	100.00	(10)	-	100.00
	<u>(7)</u>	<u>(65)</u>		<u>(10)</u>	<u>(103)</u>	
Depreciation included in:						
- cost of sales	(86)	(96)	(10.42)	(274)	(284)	(3.52)
- general and administrative expenses	(5)	(9)	(44.44)	(17)	(57)	(70.18)
Interest expenses	<u>(6)</u>	<u>(13)</u>	<u>(53.85)</u>	<u>(23)</u>	<u>(39)</u>	<u>(41.03)</u>

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 September 2016 S\$'000	As at 31 December 2015 S\$'000	As at 30 September 2016 S\$'000	As at 31 December 2015 S\$'000
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	19,497	3,690	15,996	10
Inventories		-	177	-	-
Amounts due from subsidiaries		-	-	1,835	6,677
Cash and cash equivalents		10,418	12,385	9,050	3,452
Total current assets		29,915	16,252	26,881	10,139
Non-current assets					
Property, plant and equipment		1,722	61,712	-	-
Intangible assets		-	4,982	-	-
Investment in subsidiaries		-	-	3,892	20,164
Available-for-sale financial assets		16,282	15	16,272	-
Amounts due from subsidiaries		-	-	-	11,943
Trade and other receivables	1(b)(ii)	-	1,428	-	-
Total non-current assets		18,004	68,137	20,164	32,107
Total assets		47,919	84,389	47,045	42,246
LIABILITIES					
Current liabilities					
Trade and other payables	1(b)(iii)	2,697	12,273	237	337
Amounts due to subsidiaries		-	-	6,631	1,067
Finance lease liabilities	1(b)(iv)	336	428	-	-
Current income tax liabilities		-	120	-	-
Total current liabilities		3,033	12,821	6,868	1,404
Non-current liabilities					
Trade and other payables	1(b)(iii)	-	10,520	-	-
Finance lease liabilities	1(b)(iv)	239	482	-	-
Deferred income tax liabilities		79	3,272	-	-
Total non-current liabilities		318	14,274	-	-
Total liabilities		3,351	27,095	6,868	1,404
NET ASSETS		44,568	57,294	40,177	40,842
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		29,585	29,575	29,575	29,575
Currency translation reserve		-	(105)	-	-
Retained earnings		14,264	15,513	10,602	11,267
Capital reserve		182	182	-	-
		44,031	45,165	40,177	40,842
Non-controlling interests		537	12,129	-	-
Total equity		44,568	57,294	40,177	40,842

1(b)(ii) Trade and other receivables comprise:

		Group	Company
		As at 30 September 2016 S\$'000	As at 31 December 2015 S\$'000
Note			
Current			
Trade receivables			
- Non-related parties	3,505	2,845	-
- Accrued service revenue	291	470	-
Less: Allowance for impairment of receivables of non-related parties	(421)	(116)	-
	3,375	3,199	-
Advance payment	50	32	-
Staff advances	-	2	-
GST recoverable	52	6	9
Sundry receivables	3	155	-
Other receivables	(A) 15,931	-	15,931
	19,411	3,394	15,940
Deposits	30	26	6
Prepayments	56	270	50
	19,497	3,690	15,996
Non-current			
Contingent considerations on acquisition of a subsidiary	-	1,408	-
Sundry receivables	-	5	-
	-	1,413	-
Prepayments	-	15	-
	-	1,428	-

(A) Relates to amount owing from PT Momentum Indonesia Investama in respect of shareholders' loan.

1(b)(iii) Trade and other payables comprise:

	Group	Company
	As at 30 September 2016 S\$'000	As at 31 December 2015 S\$'000
Note		
Current		
Trade payables		
- Non-related parties	2,100	2,209
	2,100	2,209
Accruals	453	1,194
Advances	-	460
Other payables	144	8,410
	2,697	12,273
Non-current		
Other payables	-	10,516
Post-employment benefits	-	4
	-	10,520

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

	Group			
	As at 30 September 2016 Secured S\$'000	Unsecured S\$'000	As at 31 December 2015 Secured S\$'000	Unsecured S\$'000
Hire-purchase				
Amount repayable in one year or less, or on demand	336	-	428	-
Amount repayable after one year	239	-	482	-

Details of any collateral

PSL Holdings Limited and its subsidiary have granted corporate guarantees in relation to the finance lease liabilities for motor vehicles.

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.

		Group 3 Months Ended 30 September		Group 9 Months Ended 30 September	
		2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash flows from operating activities					
Profit/(Loss) before tax		(369)	(289)	(1,324)	(820)
Adjustments for:					
Effect of deconsolidation of subsidiary	a	-	-	33,703	-
Income tax (credit)/expenses		82	-	(38)	-
Depreciation of property, plant and equipment		92	105	291	341
Changes in fair value of financial assets at fair value through profit or loss		-	7	-	45
Property, plant and equipment written off		-	58	-	58
Gain on disposal of property, plant and equipment		-	(1)	-	(125)
Amortisation expense on intangible asset		-	-	-	-
Write back of allowance of doubtful debts (trade)		-	(4)	-	(28)
Unrealised currency translation (losses)/gain		265	-	(440)	-
Impairment loss on investment in available-for-sale financial assets		2	-	5	-
Interest income		(65)	(70)	(211)	(142)
Interest expense		6	13	23	39
Changes in working capital, net of effects from acquisition of subsidiaries:		13	(181)	32,009	(632)
(Increase)/Decrease in trade and other receivables		(1,901)	(404)	(14,897)	793
Decrease in inventories		-	-	177	55
Increase/(Decrease) in trade and other payables and accruals		1,786	495	(20,096)	36
Cash (used in)/generated from operations		(102)	(90)	(2,807)	252
Interest received		65	70	211	142
Interest paid		(6)	(13)	-	(39)
Income tax refund		-	-	-	18
Income tax paid		-	-	(23)	(31)
Net cash (used in)/generated from operating activities		(43)	(33)	(2,619)	342
Cash flows from investing activities					
Refund of deposit from proposed investment	b/c	-	-	1,000	5,252
Deposit placed for proposed investment		-	-	-	(8,249)
Proceeds from disposal of subsidiaries		-	-	-	4,370
Purchase of property, plant and equipment	d	(3)	(52)	(23)	(67)
Proceeds from disposal of property, plant and equipment		102	5	102	181
Net cash generated from/(used in) investing activities		99	(47)	1,079	1,487
Cash flows from financing activities					
Proceeds from borrowings		-	180	-	480
Decrease in short-term deposits pledged	e	(1,706)	401	(2,103)	399
Dividends paid to minority shareholder of a subsidiary		(50)	-	(50)	(50)
Repayment of borrowings		-	(300)	-	(300)
Repayment of finance lease liabilities		(122)	(115)	(335)	(368)
Net cash (used in)/generated from financing activities		(1,878)	166	(2,488)	161
Net (decrease)/increase in cash and cash equivalents		(1,822)	86	(4,028)	1,990
Cash and cash equivalents at beginning of financial period		9,083	34,589	11,217	32,685
Effects of currency translation on cash and cash equivalents		(114)	-	(42)	-
Cash and cash equivalents at end of financial period		7,147	34,675	7,147	34,675
Cash and cash equivalents					
Fixed deposits with financial institutions		-	13,642	-	13,642
Cash and bank balances		10,418	22,281	10,418	22,281
Total cash and bank balances		10,418	35,923	10,418	35,923
Less: Fixed deposits pledged with financial institutions		(3,271)	(1,248)	(3,271)	(1,248)
Cash and cash equivalents at end of financial period		7,147	34,675	7,147	34,675

Notes:-

- The effect of deconsolidation of subsidiary pertains to deconsolidation of PT Momentum Indonesia Investama.
- Refundable deposit (S\$1 million) placed for proposed investment in NBN Scaffolding Pte Ltd, however, the proposed investment had been terminated with effect from 14 April 2016 and the deposit has since been fully refunded to the Company as announced on 15 April 2016.
- The total amount (S\$5.252 million) together with interest at the rate of 5.33% has been refunded to the Company as announced on 5 January 2015.
- During the financial period, the group acquired property, plant and equipment with an aggregate cost of S\$23,000 (2015: S\$67,000).
- 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	Currency translation reserve	Capital reserve	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

FOR 9 MONTHS ENDED 30 SEPTEMBER

GROUP

Balance as at 1 January 2016	29,575	15,513	(105)	182	45,165	12,129	57,294
Net (loss)/profit for the period	-	(1,324)	-	-	(1,324)	53	(1,271)
Other comprehensive loss for the period	-	-	-	-	-	-	-
Issuance of share capital	10	(10)	-	-	-	-	-
Dividend paid	-	(50)	-	-	(50)	-	(50)
Effect of deconsolidation of subsidiary *	-	135	105	-	240	(11,645)	(11,405)
Balance as at 30 September 2016	29,585	14,264	-	182	44,031	537	44,568

Balance as at 1 January 2015	29,575	16,814	-	182	46,571	493	47,064
Net (loss)/profit for the period	-	(979)	-	-	(979)	107	(872)
Other comprehensive loss for the period	-	-	-	-	-	(50)	(50)
Balance as at 30 September 2015	29,575	15,835	-	182	45,592	550	46,142

COMPANY

Balance as at 1 January 2016	29,575	11,267	-	-	40,842	-	40,842
Net loss for the period	-	(665)	-	-	(665)	-	(665)
Balance as at 30 September 2016	29,575	10,602	-	-	40,177	-	40,177

Balance as at 1 January 2015	29,575	11,347	-	-	40,922	-	40,922
Net loss for the period	-	(126)	-	-	(126)	-	(126)
Balance as at 30 September 2015	29,575	11,221	-	-	40,796	-	40,796

FOR 3 MONTHS ENDED 30 SEPTEMBER

GROUP

Balance as at 1 July 2016	29,575	15,189	(651)	182	44,295	12,046	56,341
Net (loss)/profit for the period	-	(309)	-	-	(309)	(60)	(369)
Other comprehensive loss for the period	-	-	-	-	-	-	-
Issuance of share capital	10	(10)	-	-	-	-	-
Dividend paid	-	(50)	-	-	(50)	-	(50)
Effect of deconsolidation of subsidiary *	-	(556)	651	-	95	(11,449)	(11,354)
Balance as at 30 September 2016	29,585	14,264	-	182	44,031	537	44,568

Balance as at 1 July 2015	29,575	16,163	-	182	45,920	511	46,431
Net (loss)/profit for the period	-	(328)	-	-	(328)	39	(289)
Other comprehensive loss for the period	-	-	-	-	-	-	-
Balance as at 30 September 2015	29,575	15,835	-	182	45,592	550	46,142

COMPANY

Balance as at 1 July 2016	29,575	10,347	-	-	39,922	-	39,922
Net profit for the period	-	255	-	-	255	-	255
Balance as at 30 September 2016	29,575	10,602	-	-	40,177	-	40,177

Balance as at 1 July 2015	29,575	11,146	-	-	40,721	-	40,721
Net profit for the period	-	75	-	-	75	-	75
Balance as at 30 September 2015	29,575	11,221	-	-	40,796	-	40,796

* The effect of deconsolidation of subsidiary pertains to deconsolidation of PT Momentum Indonesia Investama.

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as 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.

On 27 November 2015, the Company had completed share consolidation and warrants adjustment, every ten (10) Shares and ten (10) Warrants in the Company have been consolidated to constitute one (1) Consolidated Share and one (1) Adjusted Warrant respectively. After disregarding any fractions of Consolidated Shares and Adjusted Warrants arising from the share consolidation and warrants adjustment, there are 38,671,830 consolidated shares and 7,733,986 adjusted warrants in the Company. Following the share consolidation, the exercise price was changed to S\$3.40.

The movement in the number of warrants are as follows:

Number of warrants	As at 30 September 2016	As at 31 December 2015
Beginning and end of financial period	7,733,986	7,733,986

In FY2012, 2,500 warrants (pre-adjusted) was exercised and converted into ordinary shares in the capital of the Company. There were no warrants (2015: Nil) being exercised and converted into ordinary shares in the capital of the Company during the financial period.

Accordingly, no shares have been issued during the financial period ended 30 September 2016 (2015: Nil) from the exercise of warrants.

1(d)(iii) To show the total number of issues 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 September 2016	As at 31 December 2015
Beginning and end of financial period/year	38,681,730	38,671,830

As at both 31 December 2015 and 30 September 2016, there were no treasury shares outstanding.

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.

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 financial statements for the current reporting period as compared to those used in the most recently audited annual financial statements for the financial year ended 31 December 2015.

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 year compared with the most recently audited financial statements for the financial year ended 31 December 2015, except for:

- (a) 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 2016. 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 year reported on; and
- (b) The effect of deconsolidation of subsidiary, i.e. PT Momentum Indonesia Investama. Please refer to our announcement "Additional information on the third quarter unaudited financial results ended 30 September 2016" dated 14 November 2016 for more details.

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 September			Group 9 Months Ended 30 September		
	2016 S\$'000	2015 (restated) S\$'000	2015 S\$'000	2016 S\$'000	2015 (restated) S\$'000	2015 S\$'000
Profit/(Loss) per share						
(i) Based on weighted average number of ordinary shares on issue (cents)	(0.01)	(0.80)	(0.08)	(0.03)	(2.50)	(0.25)
(ii) On a fully diluted basis (cents) *	(0.01)	(0.80)	(0.08)	(0.03)	(2.50)	(0.25)
Number of ordinary shares	38,681,730	38,681,730	386,721,035	38,681,730	38,681,730	386,721,035

*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 September 2016	As at 31 December 2015
GROUP		
Net asset value per ordinary shares - dollars	1.14	1.17
COMPANY		
Net asset value per ordinary shares - dollars	1.04	1.06
Number of issued shares as at end of the year/period	38,681,730	38,671,830

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.**

With reference to the announcement "Additional information on the third quarter unaudited financial results ended 30 September 2016" dated 14 November 2016, the financial results of the Group for the third quarter and nine-month period ended 30 September 2016 were prepared based on a preliminary review of the unaudited consolidation management accounts of the Group for the third quarter and nine-month period ended 30 September 2016 without the inclusion of PT Momentum Indonesia Investama ("PT MII")'s financial statements, as follow:

Financial Performance – 3Q2016 vs 3Q2015

Revenue increased by S\$1 million or 51.24% from S\$1.9 million in 3Q2015 to S\$2.9 million in 3Q2016 mainly due to the commencement of new business, i.e. steel trading business.

Gross profit decreased by S\$118,000 from S\$260,000 in 3Q2015 to S\$142,000 in 3Q2016 mainly due to the slowing down of the Company's excavation and logistics transport business.

Other income decreased by S\$56,000 or 38.62% from S\$145,000 in 3Q2015 to S\$89,000 in 3Q2016 mainly due to the decrease in government grant received.

Other gain increased by S\$80,000 or 34.04% from S\$235,000 in 3Q2015 to S\$315,000 in 3Q2016 mainly due to the gain arising from the disposal of motor vehicles in the Company's excavation and logistics transport business.

General and administrative expenses increased by S\$51,000 or 5.99% from S\$851,000 in 3Q2015 to S\$911,000 in 3Q2016 mainly due to the provision for doubtful debts for outstanding debts in relation to the customers of the Company's excavation and logistics transport business.

Finance expenses decreased by S\$7,000 from S\$13,000 in 3Q2015 to S\$6,000 in 3Q2016 is due to the lower hire purchase interest on the diminishing finance lease balances.

Other expenses decreased by S\$58,000 from S\$65,000 in 3Q2015 to S\$7,000 in 3Q2016 is due to the absence of property, plant and equipment written off in 3Q2016.

The Group recorded a loss of S\$369,000 after tax in 3Q2016 compared to loss of S\$289,000 in 3Q2015.

Financial Performance – 9M2016 vs 9M2015

Revenue increased by S\$275,000 or 5.13% from S\$5.4 million in 9M2015 to S\$5.6 million in 9M2016 mainly due to the commencement of new business, i.e. steel trading business.

Gross profit increased marginally from S\$860,000 in 9M2015 to S\$876,000 in 9M2016 mainly due to the higher gross profit margin contributed by the Company's excavation and logistics transport business in the previous quarters of 2016.

Other income decreased by S\$4,000 or 1.42% from S\$282,000 in 9M2015 to S\$278,000 in 9M2016 mainly due to decrease in government grant received.

Other gain/(loss) decreased by S\$963,000 or 172.58% from gain of S\$558,000 in 9M2015 to loss of S\$405,000 in 9M2016 mainly due to the foreign exchange difference resulting from the fluctuation of USD and SGD currencies.

Selling and distribution expenses decreased by S\$51,000 or 100% from S\$51,000 in 9M2015 to nil in 9M2016 is due to slower business sentiments in the Company's Hardware & Trading business.

General and administrative expenses decreased by S\$0.3 million or 14.61% from S\$2.3 million in 9M2015 to S\$2 million in 9M2016 mainly due to the reduction in rental of office premises and depreciation, and non-incurrence of professional fees for the acquisition of PT MII.

Finance expenses decreased by S\$16,000 from S\$39,000 in 9M2015 to S\$23,000 in 9M2016 is due to the lower hire purchase interest on the diminishing finance lease balances.

Other expenses decreased by S\$93,000 or 90.3% from S\$103,000 in 9M2015 to S\$10,000 in 9M2016 is due to the absence of property, plant and equipment written off and lower impairment loss on investment in available-for-sale financial assets in 9M2016.

Income tax expense decreased by S\$52,000 or 100.00% in 9M2015 to nil in 9M2016 is due to the available of unabsorbed losses for set-off against the Group's profit. Hence, the Group did not recognise any income tax expense.

The Group has recorded a loss after tax of S\$1.27 million in 9M2016 compared to a loss after tax of S\$872,000 in 9M2015.

Cash flow – 3Q2016 vs 3Q2015

The Group's cash and cash equivalents is S\$7.1 million as at 30 September 2016. Net cash used in operating activities were S\$43,000 in 3Q2016 compared to S\$33,000 in 3Q2015. The net cash used in operating activities in 3Q2016 and 3Q2015 is mainly due to the cash used in or generated from working capital.

Net cash generated from investing activities were S\$99,000 in 3Q2016 compared to net cash used in investing activities of S\$47,000 in 3Q2015. This is mainly due to the proceeds received from the disposal of motor vehicles in the Company's excavation and logistics transport business.

Net cash used in financing activities were S\$1.9 million in 3Q2016 and net cash generated from financing activities is S\$166,000 in 3Q2015. This is mainly due to the increase in short-term deposits pledged to the banker.

Cash flow – 9M2016 vs 9M2015

The Group's cash and cash equivalents is S\$7.1 million as at 30 September 2016. Net cash used in operating activities is S\$2.6 million in 9M2016 compared to net cash generated from operating activities of S\$0.3 million in 9M2015. The net cash used in operating activities in 9M2016 and net cash generated from operating activities 9M2015 were mainly due to the effect from deconsolidation of subsidiary and cash used in or generated from working capital.

Net cash generated from investing activities were S\$1.1 million in 9M2016 compared to net cash generated from investing activities of S\$1.5 million in 9M2015. This is mainly due to the refund of deposit of S\$1.0 million from the proposed investment in NBN Scaffolding Pte Ltd in 9M2016. As announced on 15 April 2015, the proposed investment was terminated on 14 April 2015 and the aforementioned deposit was fully refunded to the Company. In 9M2015, the Group received the refund of the remaining deposit of S\$5.3 million from the investment in Longmen's Group Limited and proceeds from disposal of subsidiaries of \$4.4 million, which were partially offset by the partial deposit placed pertaining to the acquisition of Marine Logistic business.

Net cash used in financing activities were S\$2.5 million in 9M2016 compared to net cash generated from financing activities of S\$161,000 in 9M2015. This is mainly due to the increase in short-term deposits pledged to the banker.

Financial Position – 31 December 2015 vs 30 September 2016

As the major factor of the deconsolidation of PT MII as a subsidiary of the Group, the following were accorded:

Non-current assets

- Property, plant and equipment decreased from S\$61.7 million to S\$1.7 million.
- Intangibles assets, trade and other receivables decreased from S\$5 million to nil and S\$1.4 million to nil respectively.
- Available-for-sale financial assets increased from S\$15,000 to S\$16.3 million to account for the recognition of PT MII as an available-for-sale financial asset.

Current assets

- Trade and other receivables increased from S\$3.7 million to S\$19.5 million to account for the amount owing from PT MII in respect of the shareholders' loan.
- Inventories decreased from S\$177,000 to nil.
- Cash and cash equivalent reduced from S\$12.4 million to S\$10.4 million.

Non-current liabilities

- Trade and other payables decreased from S\$10.5 million to nil.
- Deferred income tax liabilities decreased from S\$3.2 million to S\$79,000.

Current liabilities

- Trade and other payables decreased from S\$12.3 million to S\$2.7 million to account for de-recognition of shareholders' loan, advances payables (related parties) and other payables (non-related parties).
- Current income tax liabilities decreased from S\$120,000 to nil.

Finance lease liabilities under current and non-current liabilities decreased from S\$428,000 as at 31 December 2015 to S\$336,000 as at 30 September 2016 and S\$482,000 as at 31 December 2015 to S\$239,000 as at 30 September 2016 are due to the repayment of hire purchase borrowing. There is no new hire purchase borrowing up to 30 September 2016.

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 to shareholders. This is in line with the Company's commentary set out in paragraph 10 of its previous results announcement.

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.

Given the general weak economic conditions in Singapore, our subsidiary TSL is facing tough competition and slower payments in the excavation & logistic transportation industry. In such difficult operating environment, TSL has taken measures to reduce its operating costs and is adopting a more cautious approach in getting new business. The Company has also step up its in debts collection efforts.

In terms of new business, the Group has started a steel trading business with the recruitment of an experienced steel trading team. However, the Group intends to grow this business gradually and as such, the steel trading business is not expected to contribute significantly to the Group in the short term.

The Company was served a civil summon issued by the Head of the District Court of Batam on 29 September 2016 (with Sudirman Kurniawan as plaintiff, who is also the director of PT Momentum Indonesia Investama). The Company has engaged solicitors to vigorously defend itself against the allegations and claims made. The Company reserves all the rights under the Sale and Purchase Agreement ("SPA") to claim against the damages which may suffer from the breach of SPA. The Company will update the shareholders on this matter from time to time. Please also refer to our announcement "Additional information on the third quarter unaudited financial results ended 30 September 2016" dated 14 November 2016 for more details.

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/recommended.

13. Interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Use of proceeds from rights and warrants issue

Save as disclosed below (as set out in our earlier announcements dated 18 July 2012 and 30 November 2015), the proceeds from the rights and warrants issue have been fully utilised.

	Amount	
Net proceeds	S\$7.5 million	
Amount utilised	S\$2.2 million	Out of the S\$2.2 million used for working capital purposes, S\$2.06 million was used to repay creditors and S\$0.14 million was for staff related costs.
	S\$5.3 million	As disclosed in Section 2.5 of the Company's circular dated 3 November 2015, S\$5.3 million was utilised as part of the consideration paid to the vendors for the acquisition of PT MII.
Balance	Nil	-

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

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 September 2016 to be false or misleading in any material respect.

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

Wee Piew
Chief Executive Officer & Executive Director

14 November 2016