

## UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q2017") ENDED 31 DECEMBER 2017 ("FY2017")

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

1(a)(i) An income statement 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 31 December			Year Ended 31 December		
		4Q2017 S\$'000	4Q2016 S\$'000	Increase (Decrease) %	2017 S\$'000	2016 S\$'000 (Audited)	Increase (Decrease) %
<b>Revenue</b>		4,361	15,448	-72%	11,724	21,087	-44%
Cost of sales		(4,219)	(13,063)	-68%	(10,313)	(17,826)	-42%
<b>Gross profit</b>		142	2,385	-94%	1,411	3,261	-57%
Other income	1(a)(ii)	151	4,408	-97%	413	4,686	-91%
Other gains	1(a)(ii)	1,719	2,043	-16%	782	1,638	-52%
Expenses							
-Selling and distribution expenses					(6)	-	
-General and administrative expenses		(4,437)	(37,792)	-88.3%	(7,743)	(39,779)	-81%
-Finance expenses		204	(728)	-128%	(180)	(751)	-76%
-Other expenses		-	10	n.m	-	-	n.m
<b>Loss before income tax</b>	1(a)(ii)	(2,221)	(29,674)		(5,323)	(30,945)	
Income tax credit		54	3,081	n.m	46	3,081	n.m
<b>Loss profit after tax</b>		(2,167)	(26,593)	-92%	(5,277)	(27,864)	-81%
<b>Other comprehensive (loss)/profit:</b>							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		(13)	1,203	n.m.	(8)	1,203	n.m.
<b>Total comprehensive loss for the financial period</b>		(2,180)	(25,390)	-91%	(5,285)	(26,661)	-80%
<b>(Loss)/profit attributable to:</b>							
Equity holders of the Company		(2,342)	(10,645)	-78%	(5,369)	(11,969)	-55%
Non-controlling interests		175	(15,948)	-101%	92	(15,895)	-101%
		(2,167)	(26,593)	-92%	(5,277)	(27,864)	-81%
<b>Total comprehensive (loss)/profit attributable to:</b>							
Equity holders of the Company		(2,355)	(9,946)	-76%	(5,377)	(11,270)	-52%
Non-controlling interests		175	(15,444)	-101%	92	(15,391)	-101%
		(2,180)	(25,390)	-91%	(5,285)	(26,661)	-80%

n.m = Not meaningful

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

Note	3 Months Ended 31 December			Full Year Ended 31 December		
	4Q2017 S\$'000	4Q2016 S\$'000	Increase (Decrease) %	2017 S\$'000	2016 S\$'000	Increase (Decrease) %
<b>Other income:</b>						
Interest income	131	(143)	-192%	349	68	413%
Government grant	4	82	-95%	33	146	-77%
Sundry income	16	(3)	n.m	31	-	n.m
Profit guarantee due from Vendors	-	3,646	n.m	-	3,646	n.m
Lapse of renounced dividend	-	826	n.m	-	826	n.m
	<u>151</u>	<u>4,408</u>		<u>413</u>	<u>4,686</u>	
<b>Other (losses)/gains:</b>						
Currency exchange (losses)/gains	(814)	2,057	-140%	(1,778)	1,526	-217%
Gain/(loss) from deconsolidation of PTMII	2,564	-	n.m	2,564	-	n.m
Bad debt written back	2	(5)	n.m	5	-	n.m
Negative goodwill from acquisition of subsidiary	(24)	-	n.m	-	-	n.m
(Losses)/ gains from disposal of property, plant and equipment	(4)	-	n.m	(4)	121	n.m
Impairment loss on investment in available-for-sale financial assets	(5)	(9)	n.m	(5)	(9)	n.m
	<u>1,719</u>	<u>2,043</u>		<u>782</u>	<u>1,638</u>	
<b>Depreciation included in:</b>						
- cost of sales	363	(3,015)	-112%	(501)	(3,289)	-85%
- general and administrative expenses	(71)	(41)	73%	(231)	(58)	299%
Interest expenses	367	(217)	-269%	(17)	(751)	-98%
Property, plant and equipment written off	-	-	n.m	(28)	-	n.m
Impairment loss in property, plant and equipment	(265)	(30,629)	n.m	(293)	(30,629)	n.m
Employee compensation	(388)	(4,827)	n.m	(2,283)	(4,056)	44%
Provision for doubtful debts	(2,862)	(521)	n.m	(2,862)	(521)	n.m

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

		Group	Company		
		As at 31	As at 31	As at 31	As at 31
		December 2017	December 2016	December 2017	December 2016
Note		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Trade and other receivables	1(b)(ii)	13,284	11,655	5,504	5,915
Inventories		55	314	-	-
Amounts due from related corporation		4,380	-	4,376	-
Amounts due from subsidiaries		-	-	5,639	6,612
Cash and cash equivalents		10,978	14,163	7,659	11,437
<b>Total current assets</b>		<b>28,697</b>	<b>26,132</b>	<b>23,178</b>	<b>23,964</b>
<b>Non-current assets</b>					
Property, plant and equipment		1,785	31,056	395	-
Intangible assets		101	-	-	-
Investment in subsidiaries		-	-	4,769	3,891
Available-for-sale financial assets		5	10	-	-
Club membership		6	-	6	-
Amounts due from related corporation		8,807	-	8,807	-
Amounts due from subsidiaries		-	-	-	9,537
Trade and other receivables	1(b)(ii)	-	614	-	-
Deferred income tax assets		13	-	-	-
<b>Total non-current assets</b>		<b>10,717</b>	<b>31,680</b>	<b>13,977</b>	<b>13,428</b>
<b>Total assets</b>		<b>39,414</b>	<b>57,812</b>	<b>37,155</b>	<b>37,392</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	1(b)(iii)	6,296	14,845	1,083	555
Amounts due to subsidiaries		-	-	5,716	6,252
Finance lease liabilities	1(b)(iv)	123	291	-	-
Borrowings	1(b)(iv)	-	1,881	-	-
Current income tax liabilities		11	6	-	-
<b>Total current liabilities</b>		<b>6,430</b>	<b>17,023</b>	<b>6,799</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)	133	183	-	-
Deferred income tax liabilities		-	48	-	46
<b>Total non-current liabilities</b>		<b>133</b>	<b>7,258</b>	<b>-</b>	<b>46</b>
<b>Total liabilities</b>		<b>6,563</b>	<b>24,281</b>	<b>6,799</b>	<b>6,853</b>
<b>NET ASSETS</b>		<b>32,851</b>	<b>33,531</b>	<b>30,356</b>	<b>30,539</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		35,763	32,533	35,763	32,533
Currency translation reserve		(138)	594	-	-
(Accumulated losses)/retained earnings		(3,582)	3,534	(5,407)	(1,994)
Capital reserve		507	182	-	-
		32,550	36,843	30,356	30,539
<b>Non-controlling interests</b>		301	(3,312)	-	-
<b>Total equity</b>		<b>32,851</b>	<b>33,531</b>	<b>30,356</b>	<b>30,539</b>

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

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		December 2017	December 2016	December 2017	December 2016
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>					
Trade receivables (net)		2,428	3,729	-	-
Accrued revenue		4,311	195	-	-
		6,739	3,924	-	-
Advance payment to supplier		269	1,356	-	-
GST recoverable		62	40	13	7
Contingent considerations on acquisition of a subsidiary		5,439	5,890	5,439	5,890
Sundry receivables		269	114	-	8
		12,778	11,324	5,452	5,905
Deposits		262	232	1	5
Prepayments		244	99	48	5
Others		-	-	3	-
		13,284	11,655	5,504	5,915
<b>Non-current assets</b>					
Sundry receivables		-	614	-	-

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

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		December 2017	December 2016	December 2017	December 2016
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Current liabilities</b>					
Trade payables		558	542	-	-
Accruals		2,286	1,373	71	543
Shareholders' loans		-	5,965	-	-
GST payable		-	79	7	7
Other payables		3,452	6,886	1,005	5
		6,296	14,845	1,083	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	As at 31 December 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		123	-	934	1,238
Amount repayable after one year		133	-	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.**

		Group 3 Months Ended 31 December 2017 S\$'000		Group Full Year Ended 31 December 2017 S\$'000	
	Note	2016 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
<b>Cash flows from operating activities</b>					
Loss after tax		(2,257)	(26,593)	(5,277)	(27,864)
<b>Adjustments for:</b>					
Income tax credit		(54)	(3,081)	(46)	(3,081)
Profit guarantee		-	(3,646)	-	(3,646)
Renounced dividends		-	(826)	-	(826)
Depreciation of property, plant and equipment		(292)	3,056	732	3,347
Impairment loss on property, plant and equipment		265	30,629	293	30,629
Property, plant and equipment written off		-	-	28	-
Impairment loss on receivables		-	-	2,861	-
Impairment loss on goodwill		-	3,423	-	3,423
Impairment loss on intangible assets		-	1,360	-	1,360
Impairment loss on investment in available-for-sale financial assets		5	9	5	9
(Gain)/loss from disposal of property, plant and equipment		4	-	4	(121)
Amortisation expense on intangible asset		-	331	-	331
Unrealised currency translation losses/(gains)		3,219	(1,445)	1,621	(1,618)
Effect of deconsolidation of subsidiary	a	(2,564)	(33,703)	(2,564)	-
Negative goodwill from acquisition of subsidiary	b	-	-	-	-
Interest income		(498)	-	(349)	(68)
Interest expense		-	360	17	751
<b>Operating cash flows before changes in working capital</b>		(2,172)	(30,126)	(2,675)	2,626
Trade receivables and other receivables		(1,891)	12,218	(2,952)	(2,679)
Other assets		(6)	-	(6)	-
Inventories		1,800	(314)	745	(137)
Trade payables, other payables and accruals		(1,877)	19,175	1,398	(921)
<b>Cash (used in) / generated from operations</b>		(4,146)	953	(3,490)	(1,111)
Interest received		498	-	349	68
Interest paid		-	(360)	(17)	(209)
Income tax paid		-	23	-	-
<b>Net cash (used in) / generated from operating activities</b>		(3,648)	616	(3,158)	(1,252)
<b>Cash flows from investing activities</b>					
Refund of deposit from proposed investment		-	-	-	-
Acquisition of a subsidiary, net of cash acquired	b	-	-	124	-
Net cash outflow on deconsolidation of subsidiary		-	-	(950)	-
Purchase of available-for-sale financial assets		-	(4)	-	(4)
Purchase of property, plant and equipment		(36)	(1,526)	(906)	(549)
Proceeds from disposal of property, plant and equipment		5	121	5	223
<b>Net cash used in investing activities</b>		(31)	(1,409)	(1,727)	(330)
<b>Cash flows from financing activities</b>					
Proceeds from bank borrowings		-	3,864	-	3,864
Repayment of bank borrowings		-	(1,983)	(1,238)	(1,983)
Repayment of finance lease liabilities		(6)	(101)	(242)	(436)
Decrease/ (increase) in short-term deposits pledged	c	11	(144)	(575)	(2,247)
Proceeds from issuance of share capital		3,230	2,958	3,230	2,958
Interest paid		-	-	-	(751)
Dividend paid to non-controlling interest by a subsidiary		-	-	(50)	(50)
<b>Net cash generated from financing activities</b>		3,235	4,594	1,125	1,355
Net (decrease)/increase in cash and cash equivalents		(444)	3,801	(3,760)	(227)
Cash and cash equivalents at beginning of financial period		7,432	7,147	10,748	11,217
Effect of currency translation on cash and cash equivalents		-	(200)	-	(242)
<b>Cash and cash equivalents at end of financial period</b>		6,988	10,748	6,988	10,748
<b>Cash and cash equivalents</b>					
Cash and bank balances		10,978	14,163	10,978	14,163
Less: Fixed deposits pledged with financial institutions		(3,990)	(3,415)	(3,990)	(3,415)
<b>Cash and cash equivalents at end of financial period</b>		6,988	10,748	6,988	10,748

**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 (continued).**

Notes: -

- a. The effect of deconsolidation of subsidiary pertains to deconsolidation of PT Momentum Indonesia Investama.
- b. The financial effects arising from acquisition of a subsidiary pertains to acquisition of 75% shareholding in PT Indah Perkasa Abadi.
- c. Short-term deposits are pledged in relation to the banking facilities granted to the subsidiaries.

**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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital S\$'000	Retained earnings/ (accumulated S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total S\$'000
<b>FULL YEAR ENDED 31 DECEMBER</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	-	(5,369)	-	-	(5,369)	92	(5,277)
Other comprehensive loss for the period	-	-	(8)	-	(8)	-	(8)
Dividends paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
Effect of deconsolidation of subsidiary	-	(1,747)	(724)	-	(2,471)	3,801	1,330
Additions arising from acquisition of a subsidiary (IPA)	-	-	-	-	-	95	95
Acquisition of additional ownership in a subsidiary (TSL)	-	-	-	325	325	(325)	-
<b>Balance as at 31 December 2017</b>	<b>35,763</b>	<b>(3,582)</b>	<b>(138)</b>	<b>507</b>	<b>32,550</b>	<b>301</b>	<b>32,851</b>
<b>Balance as at 1 January 2016</b>	29,575	15,513	(105)	182	45,165	12,129	57,294
Net loss for the period	-	(11,969)	-	-	(11,969)	(15,895)	(27,864)
Other comprehensive loss for the period	-	-	699	-	699	504	1,203
Dividends paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
Issuance of shares	2,958	-	-	-	2,958	-	2,958
Others	-	(10)	-	-	(10)	-	(10)
<b>Balance as at 31 December 2016</b>	<b>32,533</b>	<b>3,534</b>	<b>594</b>	<b>182</b>	<b>36,843</b>	<b>(3,312)</b>	<b>33,531</b>
<b>Company level</b>							
<b>Balance as at 1 January 2017</b>	32,533	(1,994)	-	-	30,539	-	30,539
Net loss for the period	-	(3,413)	-	-	(3,413)	-	(3,413)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
<b>Balance as at 31 December 2017</b>	<b>35,763</b>	<b>(5,407)</b>	<b>-</b>	<b>-</b>	<b>30,356</b>	<b>-</b>	<b>30,356</b>
<b>Balance as at 1 January 2016</b>	29,575	11,267	-	-	40,842	-	40,842
Net loss for the period	-	(13,261)	-	-	(13,261)	-	(13,261)
Issuance of shares	2,958	-	-	-	2,958	-	2,958
<b>Balance as at 31 December 2016</b>	<b>32,533</b>	<b>(1,994)</b>	<b>-</b>	<b>-</b>	<b>30,539</b>	<b>-</b>	<b>30,539</b>
<b>FOR 3 MONTHS ENDED 31 DECEMBER</b>							
<b>Balance as at 1 October 2017</b>	32,533	(1,548)	(119)	182	31,048	483	31,531
Net loss for the period	-	(2,342)	-	-	(2,342)	175	(2,167)
Other comprehensive loss for the period	-	-	(13)	-	(13)	-	(13)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
Effect of deconsolidation of subsidiary	-	308	(6)	-	302	(32)	270
Acquisition of additional ownership in a subsidiary (TSL)	-	-	-	325	325	(325)	-
<b>Balance as at 31 December 2017</b>	<b>35,763</b>	<b>(3,582)</b>	<b>(138)</b>	<b>507</b>	<b>32,550</b>	<b>301</b>	<b>32,851</b>
<b>Balance as at 1 October 2016</b>	29,575	14,179	(105)	182	43,831	12,132	55,963
Net loss for the period	-	(10,645)	-	-	(10,645)	(15,948)	(26,593)
Other comprehensive loss for the period	-	-	699	-	699	504	1,203
Issuance of shares	2,958	-	-	-	2,958	-	2,958
<b>Balance as at 31 December 2016</b>	<b>32,533</b>	<b>3,534</b>	<b>594</b>	<b>182</b>	<b>36,843</b>	<b>(3,312)</b>	<b>33,531</b>
<b>Company level</b>							
<b>Balance as at 1 October 2017</b>	32,533	(4,519)	-	-	28,014	-	28,014
Net loss for the period	-	(888)	-	-	(888)	-	(888)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
<b>Balance as at 31 December 2017</b>	<b>35,763</b>	<b>(5,407)</b>	<b>-</b>	<b>-</b>	<b>30,356</b>	<b>-</b>	<b>30,356</b>
<b>Balance as at 1 October 2016</b>	29,575	10,602	-	-	40,177	-	40,177
Net loss for the period	-	(12,596)	-	-	(12,596)	-	(12,596)
Issuance of shares	2,958	-	-	-	2,958	-	2,958
<b>Balance as at 31 December 2016</b>	<b>32,533</b>	<b>(1,994)</b>	<b>-</b>	<b>-</b>	<b>30,539</b>	<b>-</b>	<b>30,539</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**

On 20 December 2017, the Company has completed the allotment and issue of an aggregate of 9,281,166 new ordinary shares in the capital of the Company (the "Subscription Shares") to certain subscribers. Following the completion of the allotment and issue of the Subscription Shares, the total issued share capital of the Company has increased to 55,686,996 fully paid-up ordinary shares. Please refer to the announcements dated 20 June 2017, 21 July 2017, 25 July 2017, 31 July 2017, 19 December 2017 and 20 December 2017 for further details.

#### **Convertible Securities**

There are no outstanding convertibles 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.

#### **Treasury Shares and Subsidiary Holdings**

The Company did not have any treasury shares and subsidiary holdings 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.

- 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.**

Number of shares	As at 31 December 2017	As at 31 December 2016
Total number of issued shares (excluding treasury shares)	55,686,996	46,405,830

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

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

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 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 of this announcement, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported on as those used in the most recent audited annual 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 reported on as those used in the most recently audited financial statements for the financial year ended 31

December 2016, save 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 have 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group 3 Months Ended 31 December		Group Full Year Ended 31 December	
	2017	2016	2017	2016 (Audited)
<b>Loss per share</b>				
(i) Based on weighted average number of ordinary shares on issue (cents)	(5.01)	(26.62)	(11.49)	(29.93)
(ii) On a fully diluted basis (cents) *	(5.01)	(26.62)	(11.49)	(29.93)
<b>Number of weighted average ordinary shares used in the computation of (i) and (ii)</b>	46,710,964	39,985,551	46,710,964	39,985,551

\*No potential diluted ordinary shares.

**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 financial period reported on; and**

**(b) immediately preceding financial year.**

	As at 31 December 2017	As at 31 December 2016
<b>GROUP</b>		
Net asset value per ordinary share - dollars	0.59	0.72
<b>COMPANY</b>		
Net asset value per ordinary share - dollars	0.55	0.66

The net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares as at 31 December 2017 and 31 December 2016 of 55,686,996 and 46,405,830 respectively.

**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, 4 August 2017, 10 August 2017 and 11 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 ("PTMII").

On 16 January 2017, the High Court of Singapore ruled in favour of the Company to enforce its legal rights to appoint new directors to the board of directors of PTMII. Based on this order, the Company successfully appointed two directors to the Board of PTMII in February 2017 i.e. Richard Kennedy Melati and Satria Walensa.

Despite the fact that the Group had appointed its nominees to the board of directors of PTMII, the Group's requests to PTMII subsequent to the Singapore court order ruling for the nominees to be added as bank signatories of PTMII had not been acceded to. In addition, the Group did not have access to the accounting documents, which are kept in the private premise of Sudirman Kurniawan (SK). 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 SK to declare that certain clauses of the S&P relating to the right of the Company to appoint

directors to the board of PTMII are null and void. In response to the court's decision, SK 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 appeal is still pending to date.

Even after the appointment of 2 nominee directors into the Board of PTMII, the Group was still unable to participate in any decision making of PTMII, due to the directors being passive in the Board of PTMII. We observed that the 2 nominated directors from the Company have not participated in any of the Board and business meetings of PTMII since their appointment on 21 February 2017 and the Group does not have any practical ability to exercise their rights towards the financial and operating affairs of PTMII. Accordingly, the Company has fully deconsolidated PTMII from its marine logistics segment and re-classified its investment in PTMII as an "available-for-sale" asset with effect from 1 January 2017.

In addition, as announced by the Company on 7 September 2017, 1 November 2017 and 10 November 2017, the Company is currently investigating into the circumstances surrounding Geo Coal International Pte Ltd's ("GCI") statement that the Agreement was not effective as at 12 January 2016, as well as any follow-up action taken by PTMII, the former management of the Company, all of whom have departed from the Company, and Sudirman (in his capacity as executive officer of the Company) to protect the financial interests of the Company. Current management continues to conduct its internal inquiries and evaluations into the commercial merits and/or costs of appointing special auditors to report on issues relating to former management's purchase of the 49% shares in PTMII from Sudirman and Angelo along with ascertaining if the US\$11.5 million loan from the Company to PTMII was at arm's length basis and in accordance with normal commercial terms. The Company will make further announcements when there are further updates.

Subsequent to the announcement made on 10 August 2017 and as announced on 21 August 2017, the Company has successfully acquired 75% shareholding in PT Indah Perkasa Abadi ("PT IPA") through one of its indirect subsidiaries, PT PSL Commodities Indonesia, on 18 August 2017.

#### **Financial Performance – FY2017 vs FY2016**

Revenue has decreased by S\$9.4 million or 44% from S\$21.1 million for FY2016 to S\$11.7 million for FY2017, as a result of deconsolidation of PTMII and decrease in revenue from the Trading and Engineering segments, partially offset by the revenue generated by PT IPA. Gross profit consequently decreased by S\$1.8 million or 57% from S\$3.3 million for FY2016 to S\$1.4 million for FY2017, with a higher gross margin of approximately 3% in FY2016 contributed by the Marine Logistics segment.

Other income decreased by S\$4.3 million or 91% mainly due to revaluation of profit guarantee due from vendors and lapse of renounced dividend, and this was offset by a marginal decrease in interest income due to deconsolidation of PTMII results.

Other gains decreased by S\$0.9 million from S\$1.6 million for FY2016 to S\$0.8 million for FY2017, mainly due to fluctuations in foreign exchange rates, with FY17 having an offset from gain arising from deconsolidation of PTMII.

General and administrative expenses decreased by S\$32.0 million or 81% from S\$39.8 million for FY2016 to S\$7.7 million in FY2017, mainly due to S\$39.1 million of impairment of property, plant and equipment incurred in the Marine Logistics and Corporate segment in FY2016 and depreciation of property, plant and equipment of S\$2.9 million in Marine Logistics segment being consolidated in FY2016. These were offset by S\$2.8 million of allowance incurred for loan to PTMII arising from deconsolidation of PTMII, professional fees incurred pertaining to the PTMII legal case, impairment and allowance for doubtful debts from the Construction Logistics segment and depreciation charges for office renovation and personnel related costs, expenses incurred by the Corporate segment and newly acquired subsidiary, PT IPA.

The Group recorded a loss after tax of S\$5.3 million for FY2017 mainly contributed by Corporate and Construction Logistics segment albeit positive results are shown by newly acquired PT IPA. Compared to a loss after tax of S\$27.9 million for FY2016, it is mainly due to impairment losses incurred by the Marine Logistics and Corporate segment in FY2016 and partially offset by impact of deconsolidation of PTMII in FY2017.

#### **Financial Performance – 4Q2017 vs 4Q2016**

Revenue has decreased by S\$11.1 million or 72% in 4Q2017 compared to 4Q2016 following the deconsolidation of PTMII results. This is partially offset by revenue generated by the Construction Logistics Segment, mainly from PT IPA following the Group's acquisition. The Group's overall margin has decreased in 4Q2017 due to wet season condition resulting in lower overhead cost absorption with lower volume production.

Other income has decreased by S\$4.2 million mainly due to revaluation of profit guarantee due from vendors and lapse of renounced dividend, and this was offset by a marginal decrease in interest income due to deconsolidation of PTMII results.

Other gains fell by S\$0.3 million of 16% in 4Q2017 compared to 4Q2016, mainly due to a gain from deconsolidation of PTMII and mainly offset by foreign exchange loss arising from the revaluation of the USD loan extended to PTMII in 4Q2017.

General and administrative expenses has decreased by S\$33.4 million or 88% mainly due to impairment of PTMII's property, plant and equipment of S\$30.6 million and depreciation of PTMII's property, plant and equipment of S\$2.9 million taken up due to consolidation of PTMII in 4Q2016. The Corporate Segment also incurred an impairment in its assets by S\$8.5 million in 4Q2016 which contributed to the variance with 4Q2017, partially offset by S\$2.8 million of allowance incurred for loan to PTMII arising from deconsolidation of PTMII and allowance for doubtful debts and impairment of property, plant and equipment totalling at the Construction Logistics segment in 4Q2017.

Finance expenses have decreased by S\$0.9 million or 128% in 4Q2017 compared to 4Q2016 mainly contributed by deconsolidation of PTMII which excluded finance costs incurred by PTMII.

The Group recorded a loss of S\$2.2 million after tax in 4Q2017 compared to a loss of S\$26.6 million in 4Q2016 mainly contributed by the deconsolidation of PTMII in 4Q2017, results of Construction Logistics and Corporate segment.

### **Cash flow – FY2017 vs FY2016**

The Group's cash and cash equivalents was S\$7.0 million as at 31 December 2017. Net cash used in operating activities was S\$3.1 million in FY2017 compared to S\$1.3 million in FY2016, mainly due to effect of deconsolidation of PTMII, the decrease in trade payables, other payables and accruals that was offset by an increase in inventories from acquisition of PT IPA.

Net cash used in investing activities has increased marginally by S\$1.4 million in FY2017 compared to FY2016 is mainly contributed by the purchase of property, plant and equipment and also offset by the cash generated from acquisition of PT IPA.

Net cash generated from financing activities was S\$1.1 million in FY2017 and net cash used in financing activities was S\$1.4 million in FY2016 mainly due to changes in short-term deposits pledged, repayment of bank borrowings and ending of finance leases within FY2017.

### **Cash flow – 4Q2017 vs 4Q2016**

The Group's cash and cash equivalents was S\$7.0 million as at 31 December 2017. Net cash used in operating activities was S\$3.6 million for 4Q2017 compared to net cash generated from operating activities of S\$0.6 million for 4Q2016. More net cash was generated from operating activities during 4Q2016 compared to 4Q2017 were mainly due to decrease in trade receivables and other receivables, offset by effect of deconsolidation of PTMII in 4Q2017.

Net cash used in investing activities was S\$0.03 million for 4Q2017 compared to S\$1.4 million for 4Q2016. The difference arises mainly from the purchase of property, plant and equipment by PTMII in 4Q2016.

Net cash generated from financing activities was S\$3.2 million for 4Q2017 compared to S\$4.6 million for 4Q2016. The marginal difference arise from the proceeds and repayment of bank borrowings made in 4Q2016, partially offset by more proceeds from issuance of share capital in 4Q2017.

### **Financial Position**

Current assets increased by S\$2.6 million or 9.8% from S\$26.1 million as at 31 December 2016 to S\$28.7 million as at 31 December 2017, mainly due to the (i) changes in cash and cash equivalents as highlighted in the cash flow statement above, (ii) an increase in inventories and receivables from acquisition of PT IPA, which was partially offset by decrease in receivables from the Trading and Engineering segment, and (iii) a recognition of a loan to PTMII as a result of the deconsolidation of PTMII.

Non-current assets decreased by S\$21.0 million or 66.2% from S\$31.7 million as at 31 December 2016 to S\$10.7 million as at 31 December 2017, mainly due to a de-recognition of property, plant and equipment and a recognition of a loan to PTMII as a result of the deconsolidation of PTMII.

Current liabilities have decreased by S\$10.6 million or 62.2% from S\$17.0 million as at 31 December 2016 to S\$6.4 million as at 31 December 2017, due to the deconsolidation of PTMII, which was partially offset by the increase in payables from acquisition of PT IPA. The deconsolidation has resulted in the decrease of non-current liabilities by S\$7.2 million or 98.5% from S\$7.3 million as at 31 December 2016 to S\$0.1 million as at 31 December 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 prospect statement, previously disclosed to shareholders.

## **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.**

The Board of Directors believes that public investment in infrastructure will continue to be an important driver of the overall investment outlook in ASEAN countries as the regional economy continues to benefit from the same tailwinds from 2017 which included robust growth in capital outlays and higher government spending due to upcoming regional and general elections.

Overall, regional growth is anticipated to be at 5.1% for 2018 with Indonesian and Malaysian economies projected to grow at 5.3%.<sup>1</sup>

In Indonesia, the pipeline of 265 infrastructure projects costing US\$327 billion have received pledges of close to US\$170 billion<sup>2</sup>, with majority of the remaining funds expected to be committed by private investors. With an estimated infrastructure gap of US\$1.5 trillion in Indonesia according to The World Bank, the Group is poised to tap into opportunities for construction logistic services in Indonesia following the acquisition of PT Indah Perkasa Abadi ("PT IPA").

Post-acquisition of PT IPA since 18 August 2017, the Group continues its management's focus on PT IPA in terms of strengthening its construction logistics business in Indonesia. The business environment continues to present challenges to the Group's operations. In addition to foreign exchange rate volatility, rising labour and material costs, the business landscape has become increasingly competitive.

In addition, the Group continues to seek opportunities in the property sector in ASEAN countries, particularly in Indonesia and Malaysia to complement its diversification plans to derive new revenue streams and add to the Group's overall profitability.

<sup>1</sup> "Economic Snapshot of ASEAN", Focus Economics, 21 February 2018 <https://www.focus-economics.com/regions/asean>

<sup>2</sup> "Indonesia Needs \$157 billion for Infrastructure Plans", Bloomberg, 26 January 2018 <https://www.bloomberg.com/news/articles/2018-01-25/indonesia-seeks-to-plug-157-billion-gap-in-nation-building-plan>

## 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

Not applicable.

### (d) Books closure date

Not applicable.

## 12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared (recommended).

## 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.

No IPT mandate has been obtained from shareholders. There was no IPTs during the financial period ended 31 December 2017.

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

### 2016 Subscription

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 (the "2016 Subscription Shares") on 31 October 2016 (the "2016 Subscription"). It had been stated in the Company's announcement dated 22 September 2016 (the "2016 Subscription Announcement") that 80% of the net proceeds of the 2016 Subscription will be used by the Company for funding growth and expansion (as and when opportunities arise) and 20% of the net proceeds of the 2016 Subscription will be used by the Company for working capital purposes.

The table below summarises the cumulative utilisation of the net proceeds of the 2016 Subscription as at the date of this announcement (the "2016 Use of Proceeds"):

Intended use of net proceeds	Amount Allocated (S\$'million) / with percentage allocation (%)	Amount utilised (S\$'million)	Balance (S\$'million)
Funding growth and expansion (as and when opportunities arise)	2.32 (80%)	1.18	1.14
Working capital purposes	0.58 (20%)	0.58 <sup>1</sup>	-
Total (approximately)	2.90 (100%)	1.76	1.14

<sup>1</sup> Out of the S\$0.58 million used for working capital purposes, approximately S\$0.47 million was used for employees' salaries and related costs and remainder was for repayment of creditors including professional fees.

The auditors of the Company have conducted an independent verification on the 2016 Use of Proceeds and have verified that the 2016 Use of Proceeds is as stated in the table above.

### 2017 Subscription

The Company had completed the allotment and issue of an aggregate of 9,281,166 new ordinary shares at S\$0.348 for each subscription share in the capital of the Company (the "2017 Subscription Shares") on 20 December 2017 (the "2017 Subscription"). It had been stated in the Company's announcement dated 20 June 2017 (the "2017 Subscription Announcement") that 80% of the net proceeds of the 2017 Subscription will be used by the Company for funding growth and expansion (as and when opportunities arise) and 20% of the net proceeds of the 2017 Subscription will be used by the Company for working capital purposes.

The net proceeds of the 2017 Subscription of approximately S\$3.2 million have not been utilised as at the date of this announcement.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

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

**16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business segments:**

31 December 2017	Trading & Engineering S\$'000	Construction Logistics S\$'000	Marine Logistics S\$'000	Corporate S\$'000	Group S\$'000
Revenue	-	11,724	-	-	11,724
Inter-segment sales	-	-	-	-	-
External sales	-	11,724	-	-	11,724
EBITDA	(1,256)	780	80	(4,072)	(4,468)
Impairment					(293)
Depreciation					(732)
Interest Income					349
Finance Expense					(179)
Loss for the year					(5,323)

31 December 2016 (Audited)	Trading & Engineering S\$'000	Construction Logistics S\$'000	Marine Logistics S\$'000	Corporate S\$'000	Group S\$'000
Revenue	1,880	4,688	14,519	-	21,087
Inter-segment sales	-	-	-	-	-
External sales	1,880	4,688	14,519	-	21,087
EBITDA	(339)	211	5,413	3,543	8,828
Depreciation					(3,347)
Amortisation					(331)
Impairment					(35,412)
Interest Income					68
Finance Expense					(751)
Loss for the year					(30,945)

31 December 2017	Trading & Engineering S\$'000	Construction Logistics S\$'000	Marine Logistics S\$'000	Corporate S\$'000	Group S\$'000
Segment assets	50	9,177	4	19,205	28,436
Unallocated assets					
-Short-term deposits and bank balances					10,978
Total assets					39,414
Segment assets includes:					
-additions of property, plant and equipment	-	318	-	588	906
Segment liabilities	65	5,374	25	1,099	6,563

16. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (continued).**

31 December 2016 (Audited)	Trading & Engineering S\$'000	Construction Logistics S\$'000	Marine Logistics S\$'000	Corporate S\$'000	Group S\$'000
Segment assets	1,426	2,918	34,808	4,497	43,649
Unallocated assets					
-Short-term deposits and bank balances					14,163
Total assets					<b>57,812</b>
Segment assets includes:					
-additions of property, plant and equipment	12	14	523	-	549
-additions of intangible assets	-	-	1,698	-	1,698
Segment liabilities	<b>1,374</b>	<b>885</b>	<b>21,661</b>	<b>361</b>	<b>24,281</b>

**Geographical segments:**

Revenue	Group For the year ended	
	2017 S\$'000	2016 S\$'000 (Audited)
Singapore	2,474	6,568
Indonesia	9,250	14,519
	<b>11,724</b>	<b>21,087</b>

Revenue is based on the location of the companies that generate those sales.

Non-Current Assets	Group For the year ended	
	2017 S\$'000	2016 S\$'000 (Audited)
Singapore	987	1,645
Indonesia	9,730	30,035
	<b>10,717</b>	<b>31,680</b>

Non-current assets comprising fixed assets and intangible assets are based on the location of the companies that own those assets.

17. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 of this announcement for more details.

**18. A breakdown of sales**

	Group		Increase/ (Decrease)  %
	For the year ended		
	2017 S\$'000	2016 S\$'000	
Sales reported for first half year	5,637	10,903	(48.30)
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	(2,386)	218	n.m.
Sales reported for second half year	6,087	10,184	(40.23)
Operating loss after tax before deducting non-controlling interests reported for second half year	(2,891)	(28,082)	89.38

**19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Group	
	For the year ended	
	2017 S\$'000	2016 S\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that, to the best of its knowledge, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company as at the date of this announcement.

**BY ORDER OF THE BOARD**

Tan Cheang Shiong  
Chief Executive Officer  
1 March 2018