

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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

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

		3 Months Ended 31 March		
	Note	2017 S\$'000	2016 S\$'000	Increase (Decrease) %
Revenue		4,993	5,228	-4.50%
Cost of sales		(3,850)	(4,179)	-7.87%
Gross profit		1,143	1,049	8.96%
Other income	1(a)(ii)	43	54	-20.37%
Other gains/(losses) - net	1(a)(ii)	143	(998)	-114.33%
Expenses				
-General and administrative expenses		(1,219)	(790)	54.30%
-Finance expenses		(226)	(179)	26.26%
Loss before income tax	1(a)(ii)	(116)	(864)	-86.57%
Income tax (expense) / credit		(7)	12	-158.33%
Loss after tax		(123)	(852)	-85.56%
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		(354)	(1,116)	-68.28%
Total comprehensive loss for the financial period		(477)	(1,968)	-75.76%
Loss attributable to:				
Equity holders of the Company		(327)	(798)	-59.02%
Non-controlling interests		204	(54)	-477.78%
		(123)	(852)	-85.56%
Total comprehensive loss attributable to:				
Equity holders of the Company		(580)	(1,315)	-55.89%
Non-controlling interests		103	(653)	-115.77%
		(477)	(1,968)	-75.76%

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 31 March		
	2017	2016	Increase
Note	S\$'000	S\$'000	(Decrease)
			%
Other income:			
Interest income from banks	11	14	-21.43%
Government grant	21	39	-46.15%
Sundry income	11	1	n.m
	<u>43</u>	<u>54</u>	-20.37%
Other gains/(losses) - net:			
Currency exchange gain/(loss)	146	(998)	-114.63%
Loss from disposal of property, plant and equipment	(4)	-	-100.00%
Bad debt written back	1	-	100.00%
	<u>143</u>	<u>(998)</u>	-114.33%
Depreciation included in:			
- cost of sales	(472)	(938)	-49.68%
- general and administrative expenses	(44)	(15)	193.33%
Interest expenses	(226)	(179)	26.26%
Property, plant and equipment written off	(28)	-	-100.00%
Impairment loss on investment in available-for-sale financial assets	(3)	-	-100.00%

n.m = Not meaningful

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

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		March 2017	December 2016	March 2017	December 2016
		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	12,457	11,655	6,009	5,915
Inventories		383	314	-	-
Amounts due from subsidiaries		-	-	7,965	6,612
Cash and cash equivalents		11,610	14,163	10,516	11,437
Total current assets		24,450	26,132	24,490	23,964
Non-current assets					
Property, plant and equipment		29,848	31,056	305	-
Investment in subsidiaries		-	-	3,891	3,891
Available-for-sale financial assets		7	10	-	-
Amounts due from subsidiaries		-	-	7,684	9,537
Trade and other receivables	1(b)(ii)	14	614	-	-
Total non-current assets		29,869	31,680	11,880	13,428
Total assets		54,319	57,812	36,370	37,392
LIABILITIES					
Current liabilities					
Trade and other payables	1(b)(iii)	16,558	14,845	395	555
Amounts due to subsidiaries		-	-	6,229	6,252
Finance lease liabilities	1(b)(iv)	244	291	-	-
Bank borrowings	1(b)(iv)	654	1,881	-	-
Current income tax liabilities		152	6	-	-
Total current liabilities		17,608	17,023	6,624	6,807
Non-current liabilities					
Trade and other payables	1(b)(iii)	3,572	7,027	-	-
Finance lease liabilities	1(b)(iv)	127	183	-	-
Deferred income tax liabilities		8	48	-	46
Total non-current liabilities		3,707	7,258	-	46
Total liabilities		21,315	24,281	6,624	6,853
NET ASSETS		33,004	33,531	29,746	30,539
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		32,533	32,533	32,533	32,533
Currency translation reserve		341	594	-	-
Retained earnings/(accumulated losses)		3,207	3,534	(2,787)	(1,994)
Capital reserve		182	182	-	-
		36,263	36,843	29,746	30,539
Non-controlling interests		(3,259)	(3,312)	-	-
Total equity		33,004	33,531	29,746	30,539

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

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		March 2017	December 2016	March 2017	December 2016
		S\$'000	S\$'000	S\$'000	S\$'000
Current assets					
Trade receivables		3,873	3,729	-	-
Accrued service revenue		160	195	-	-
		4,033	3,924	-	-
Advance payment to supplier		2,012	1,356	-	-
GST recoverable		53	40	26	7
Profit guarantee due from vendors		5,890	5,890	5,890	5,890
Sundry receivables		213	114	32	8
		12,201	11,324	5,948	5,905
Deposits		93	232	28	5
Prepayments		163	99	33	5
		12,457	11,655	6,009	5,915
Non-current assets					
Sundry receivables		14	614	-	-

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

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		March 2017	December 2016	March 2017	December 2016
		S\$'000	S\$'000	S\$'000	S\$'000
Current liabilities					
Trade payables		1,021	542	-	-
Accruals		1,326	1,373	381	543
Advances from customers		104	-	-	-
Shareholders' loans		7,566	5,965		
GST payable		35	79	-	7
Other payables		6,506	6,886	14	5
		16,558	14,845	395	555
Non-current liabilities					
Shareholders' loans		3,493	6,962	-	-
Post-employment benefits obligation		79	65	-	-
		3,572	7,027	-	

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

	Note	Group			
		As at 31 March 2017		As at 31 December 2016	
		Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand		898	-	2,172	-
Amount repayable after one year		127	-	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	
		For the period ended 31 March	
	Note	2017 S\$'000	2016 S\$'000
Cash flows from operating activities			
Loss after tax		(123)	(852)
Adjustments for:			
Income tax expense/(credit)		7	(12)
Depreciation of property, plant and equipment		516	953
Impairment loss on investment in available-for-sale financial assets		3	-
Property, plant and equipment written off		28	-
Loss from disposal of property, plant and equipment		4	-
Amortisation expense on intangible asset		-	84
Unrealised currency translation losses		1,298	1,460
Interest income		(11)	(14)
Interest expense		226	179
Change in working capital, net of effects from acquisition of subsidiaries:		1,948	1,798
Trade receivables and other receivables		(502)	(1,451)
Inventories		(69)	41
Trade payables, other payables and accruals		(2,020)	(1,490)
Cash used in operations		(643)	(1,102)
Interest received		11	14
Interest paid		(70)	(179)
Net cash used in operating activities		(702)	(1,267)
Cash flows from investing activities			
Deposit placed for proposed investments	a	-	(1,000)
Proceeds from disposal of property, plant and equipment		-	-
Purchase of property, plant and equipment		(347)	(7)
Net cash used in investing activities		(347)	(1,007)
Cash flows from financing activities			
Repayment of bank borrowings		(1,227)	-
Repayment of finance lease liabilities		(103)	(108)
Increase in short-term deposits pledged	b	(911)	(2)
Dividend paid to non-controlling interest by a subsidiary		(50)	-
Net cash used in financing activities		(2,291)	(110)
Net decrease in cash and cash equivalents		(3,340)	(2,384)
Cash and cash equivalents at beginning of financial year		10,748	11,217
Effect of currency translation on cash and cash equivalents		(124)	108
Cash and cash equivalents at end of financial year		7,284	8,941
Cash and cash equivalents			
Cash and bank balances		11,610	10,111
Less: Fixed deposits pledged with financial institutions		(4,326)	(1,170)
Cash and cash equivalents at end of financial period		7,284	8,941

Notes:-

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

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

	Share capital	Retained earnings/ (accumulated losses)	Currency translation reserve	Capital reserve	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

3 MONTHS ENDED 31 MARCH

GROUP

Balance as at 1 January 2017	32,533	3,534	594	182	36,843	(3,312)	33,531
Net loss for the period	-	(327)	-	-	(327)	204	(123)
Other comprehensive loss for the period	-	-	(253)	-	(253)	(101)	(354)
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
Balance as at 31 March 2017	32,533	3,207	341	182	36,263	(3,259)	33,004

Balance as at 1 January 2016	29,575	15,513	(105)	182	45,165	12,129	57,294
Net loss for the period	-	(798)	-	-	(798)	(54)	(852)
Other comprehensive loss for the period	-	-	(517)	-	(517)	(599)	(1,116)
Balance as at 31 March 2016	29,575	14,715	(622)	182	43,850	11,476	55,326

COMPANY

Balance as at 1 January 2017	32,533	(1,994)	-	-	30,539	-	30,539
Net loss for the period	-	(793)	-	-	(793)	-	(793)
Balance as at 31 March 2017	32,533	(2,787)	-	-	29,746	-	29,746

Balance as at 1 January 2016	29,575	11,267	-	-	40,842	-	40,842
Net loss for the period	-	(752)	-	-	(752)	-	(752)
Balance as at 31 March 2016	29,575	10,515	-	-	40,090	-	40,090

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

Share Capital

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

Convertible Securities

The company does not have any share scheme, treasury shares or subsidiary holdings as at 31 March 2017 and as at the end of the corresponding period of the immediately preceding financial year.

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

- 1(d)(iii) To show the total number of 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 31 March 2017	As at 31 December 2016
Total number of issued shares (excluding treasury shares)	46,405,830	46,405,830

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

Not applicable.

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

Not applicable.

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

The figures have not been audited or reviewed

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

Not applicable.

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

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

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

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

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

	Group 3 Months Ended 31 March	
	2017	2016
Loss per share		
(i) Based on weighted average number of ordinary shares on issue (cents)	(0.70)	(2.06)
(ii) On a fully diluted basis (cents) *	(0.70)	(2.06)
Number of ordinary shares	46,405,830	38,671,830

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

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

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

	As at 31 March 2017	As at 31 December 2016
GROUP		
Net asset value per ordinary shares (dollars)	0.71	0.72
COMPANY		
Net asset value per ordinary shares (dollars)	0.64	0.66
Number of issued shares as at end of the period/year	46,405,830	46,405,830

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Financial Performance – 1Q2017 vs 1Q2016

Revenue decreased by S\$0.2 million or 4.5% from S\$5.2 million in 1Q2016 to S\$5.0 million in 1Q2017, mainly due to lower revenue from the Construction Logistics segment.

Gross profit, on the other hand, increased by S\$0.1 million or 9.0% from S\$1.0 million in 1Q2016 to S\$1.1 million in 1Q2017, mainly due to lower depreciation charges following the one-off asset impairment made to the Marine Logistic segment in 2016.

Other income decreased by S\$11,000 or 20.4% from S\$54,000 in 1Q2016 to S\$43,000 in 1Q2017 mainly due to lower government grant received.

Other gains increased by S\$1.1 million or 114% as compared to Other losses in 1Q2016, this was mainly due to the foreign exchange gain arising from the revaluation of USD shareholders' loan and other payables.

General and administrative expenses increased by S\$0.4 million or 54.3% from S\$0.8 million in 1Q2016 to S\$1.2 million in 1Q2017, mainly due to professional fees incurred pertaining to PT Momentum Indonesia Investama ("PT MII") and the increase in staff costs.

Finance costs increased by S\$47,000 from S\$179,000 in 1Q2016 to S\$226,000 in 1Q2017 mainly due to higher bank interest costs incurred by Marine Logistics segment.

As a result of the above, the Group recorded a net loss of S\$0.1 million in 1Q2017 compared to S\$0.9 million in 1Q2016.

Cash flow – 1Q2017 vs 1Q2016

The Group's cash and cash equivalents stood at S\$7.3 million as at 31 March 2017. Net cash used in operating activities was S\$0.6 million in 1Q2017 compared to S\$1.3 million in 1Q2016 mainly due to reduction in trade and other receivables.

Net cash used in investing activities was S\$0.5 million in 1Q2017 compared to S\$1.0 million in 1Q2016 mainly due to the S\$1.0 million deposit refund pertaining to the aborted investment in NBN Scaffolding Pte Ltd in 1Q2016, partially offset by the increase in property, plant and equipment in 1Q2017 which was mainly pertaining to the cost of renovation and office equipment for the new corporate office.

Net cash used in financing activities was S\$2.3 million in 1Q2017 and S\$0.1 million in 1Q2016 mainly due to repayment of bank borrowings and increase in short-term deposits pledged to secure bank facilities.

Financial Position

Current assets decreased by S\$1.6 million or 6.4% from S\$26.1 million as at 31 December 2016 to S\$24.5 million as at 31 March 2017 mainly due to a decrease in cash and cash equivalents as highlighted in the cashflow statement above, this was partially offset by the increase in trade and other receivables.

Non-current assets decreased by S\$1.8 million or 5.7% from S\$31.7 million as at 31 December 2016 to S\$29.9 million as at 31 March 2017 mainly due to depreciation charges and currency translation differences.

Current liabilities increased by S\$0.6 million or 3.4% from S\$17.0 million as at 31 December 2016 to S\$17.6 million as at 31 March 2017 mainly due to a reclassification of shareholders' loan from non-current liabilities to current liabilities, which was partially offset by the decrease in bank borrowings.

Non-current liabilities decreased by S\$3.6 million or 48.9% from S\$7.3 million as at 31 December 2016 to S\$3.7 million as at 31 March 2017 mainly due to a reclassification of shareholders' loan from non-current liabilities to current liabilities.

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

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

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

The Group's marine logistics business with the acquisition of 49% stake in PT MII, did not enhance revenue and earnings as projected by the former management and has led to the current dispute with the vendors of PT MII. This situation with PT MII has resulted in the Group taking a conservative stance and incurring impairment losses in FY2016. The Company continues with Singapore court proceedings to seek payment of the US\$6.0 million profits guaranteed by the Shareholders of PT MII, pursuant to the terms in the Conditional and Supplemental Sale and Purchase Agreements dated 17 March 2015 and 3 August 2015 respectively.

The Group intends to conduct a strategic review of its construction logistics and steel trading businesses. As price competition has created a challenging operating environment for the construction logistics business, the Group has already taken interim measures to reduce operating costs and enhance risk management efforts. The steel trading business is relatively immaterial and not likely to contribute any revenue growth, this requires the Group to explore the possibility of extending the trading business to other commodities.

The Group will seek shareholders' approval for any significant business diversification, and examine each new investment project with utmost due diligence. Such prospective businesses, if deemed suitable, will be financed by a combination of internal resources, debt and equity.

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. 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 IPT during the first quarter of 2017.

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

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

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

We, Mr Stephen Leong, BBM and Mr William Teo Choon Kow, BBM, being two of the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the three months ended 31 March 2017 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Tan Cheang Shiong
Chief Executive Officer

2 June 2017