

Unaudited Results for The Second Quarter And Six Months Ended 30 June 2017 Financial Statements and Dividend Announcement

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

1(a) Consolidated statement of profit or loss and other comprehensive loss (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		% Increase/ (Decrease)	GROUP		% Increase/ (Decrease)
	S\$'000	S\$'000		S\$'000	S\$'000	
	2Q2017	2Q2016		1H2017	1H2016	
Revenue	861	944	(9)	1,730	1,843	(6)
Other (losses)/gains – net	(1,887)	275	NM	(1,744)	1,643	NM
Expenses						
Raw materials and consumables used	(26)	(21)	24	(44)	(54)	(19)
Employee benefits	(4,566)	(467)	100	(4,994)	(928)	100
Others	(555)	(2,762)	(80)	(1,094)	(4,700)	(77)
(Allowance for)/Write-back of Impairment loss on financial assets, available-for-sale	(2)	66	NM	(4)	(5,551)	(100)
Write-back of impairment loss on investment in an associate	-	352	NM	-	352	NM
Dilution loss on investment in an associate	-	(352)	NM	-	(352)	NM
Finance costs	(1)	(1,306)	(100)	(1)	(2,502)	(100)
Total expenses	(5,150)	(4,490)		(6,137)	(13,735)	
Loss before income tax	(6,176)	(3,271)		(6,151)	(10,249)	
Income tax	10	4	100	24	8	100
LOSS FOR THE PERIOD	(6,166)	(3,267)		(6,127)	(10,241)	
Other comprehensive loss:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss)/gain						
- on translating foreign operations	(27)	(168)	(84)	(261)	113	NM
- reclassified to profit or loss	907	-	NM	907	-	NM
Net change in fair value of financial assets, available-for-sale	-	761	NM	-	761	NM
Cumulative gain/(loss) in fair value of financial assets, available-for-sale reclassified to profit or loss	-	37	NM	-	(1,341)	NM
Other comprehensive profit/(loss) for the period, net of tax	880	630		646	(467)	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(5,286)	(2,637)		(5,481)	(10,708)	
(Loss)/Profit for the period attributable to:						
Owners of the Company	(6,233)	(3,457)	80	(6,284)	(10,609)	(41)
Non-controlling interests	67	190	(65)	157	368	(57)
	(6,166)	(3,267)		(6,127)	(10,241)	
Total comprehensive (loss)/profit for the period attributable to:						
Owners of the Company	(5,349)	(2,794)	91	(5,579)	(11,109)	(50)
Non-controlling interests	63	157	(60)	98	401	(76)
	(5,286)	(2,637)		(5,481)	(10,708)	
Loss per share attributable to owners of the Company (expressed in cents)						
- Basic	(0.02)	(0.08)	(75)	(0.02)	(0.24)	(0.92)
- Diluted	(0.02)	(0.08)	(75)	(0.02)	(0.24)	(0.92)

NM: Not Meaningful

Notes to the consolidated statement of profit or loss and other comprehensive income/(loss)

i) Loss before income tax is after (charging)/crediting:

	GROUP			GROUP		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	2Q2017	2Q2016	Increase/ (Decrease)	1H2017	1H2016	Increase/ (Decrease)
Loss on striking-off of a dormant subsidiary	(1,869)	-	NM	(1,869)	-	NM
Loss on disposal of financial assets, available-for-sale	(5)	-	NM	(5)	-	NM
Net loss on disposal of financial assets, at fair value through profit or loss	-	(6)	NM	-	(164)	NM
Loss on conversion of debt instrument to equity, available-for-sale	-	-	NM	-	(60)	NM
Net fair value (loss)/gain on financial assets, at fair value through profit or loss	(53)	(48)	10	54	(520)	NM
(Loss)/gain on disposal of property and equipment	(2)	-	NM	(2)	1	NM
Net currency exchange gain	31	12	100	45	1,983	(98)
Interest income	1	79		1	153	
- Cokal Limited convertible loan	-	58	NM	-	117	NM
- Bank balances	1	21	(95)	1	36	(97)
- Others	* -	* -	NM	* -	* -	NM
Write-off of the other payables	-	120	NM	-	120	NM
Other income relating to claims received from Prospect Resources Limited	-	107	NM	-	107	NM
Interest expense	(1)	(1,307)		(1)	(2,502)	
- Wintercrest financing loans	-	(1,306)	NM	-	(2,500)	NM
- Finance lease liabilities	(1)	(1)	NM	(1)	(2)	(50)
Allowance for impairment loss on other receivables - third parties	-	(9)	NM	-	(52)	NM
Depreciation of property and equipment	(137)	(128)	7	(278)	(255)	9
Write-back of provision/(provision) for withholding tax expense	97	(514)	NM	97	(755)	NM

NM: Not Meaningful

*: < S\$1,000

ii) Income tax attributable to results is made up of:

	GROUP			GROUP		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	2Q2017	2Q2016	Increase/ (Decrease)	1H2017	1H2016	Increase/ (Decrease)
Income tax comprises:						
Current income tax	(1)	* (-)	NM	(1)	(1)	NM
Deferred tax	11	4	100	25	9	100
	10	4		24	8	
Over-provision in prior period	-	* (-)	NM	-	* (-)	NM
	10	4		24	8	

NM: Not Meaningful

*: < S\$1,000

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

	GROUP			COMPANY		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	As at 30/06/2017	As at 31/12/2016	Increase/ (Decrease)	As at 30/06/2017	As at 31/12/2016	Increase/ (Decrease)
ASSETS						
Current assets						
Cash and bank balances	840	498	69	558	37	100
Financial assets, at fair value through profit or loss	187	133	41	-	-	NM
Trade and other receivables	626	673	(7)	13	6	100

Other current assets	459	373	23	86	116	(26)
Development properties	4,624	4,651	**	-	-	NM
Assets held for sale	1,417	1,426	**	-	-	NM
	8,153	7,754		657	159	
Non-current assets						
Investments in subsidiaries	-	-	NM	250	250	NM
Investment in associate	-	-	NM	-	-	NM
Loans to subsidiaries	-	-	NM	8,192	8,150	**
Financial assets, available-for-sale	1	32	(97)	1	32	(97)
Property and equipment	4,644	4,702	(1)	120	160	(25)
Deferred tax assets	253	237	7	-	-	NM
	4,898	4,971		8,563	8,592	
Total assets	13,051	12,725		9,220	8,751	
LIABILITIES						
Current liabilities						
Trade and other payables	3,632	3,469	5	2,158	2,419	(11)
Borrowings	213	33	100	33	33	NM
Loan from a subsidiary	-	-	NM	2,351	611	100
Current income tax liabilities	35	36	(3)	-	-	NM
	3,880	3,538		4,542	3,063	
Net Current Assets/(Liabilities)	4,273	4,216		(3,885)	(2,904)	
Non-current liabilities						
Trade and other payables	-	500	NM	-	-	NM
Employee compensation	834	799	4	-	-	NM
Borrowings	899	51	100	35	51	(31)
	1,733	1,350		35	51	
Total liabilities	5,613	4,888		4,577	3,114	
Net assets	7,438	7,837		4,643	5,637	
EQUITY						
Equity attributable to owners of the Company						
Share capital	131,414	127,294	3	131,414	127,294	3
Reserves	(4,531)	(6,198)	(27)	-	-	NM
Accumulated losses	(122,283)	(115,999)	5	(126,771)	(121,657)	4
	4,600	5,097		4,643	5,637	
Non-controlling interests	2,838	2,740	4	-	-	NM
Total equity	7,438	7,837		4,643	5,637	

NM: Not Meaningful

**< 1%

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable not later than one year				Amount repayable after one year			
As at 30/06/2017		As at 31/12/2016		As at 30/06/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
213	-	33	-	899	-	51	-

Details of any collateral

Pertaining to the secured borrowings, the Group has granted in favour of the lenders the following:

- Finance lease liabilities of the Group are secured by the rights to the leased motor vehicles with net carrying amount of S\$0.09 million as at 30 June 2017 (31 December 2016: S\$0.12 million), which would revert to the lessors in the event of default by the Group; and
- Bank credit facility is secured by the land and building of PT Rel-ion Sterilization Services.

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 S\$'000		GROUP S\$'000	
	2Q2017	2Q2016	1H2017	1H2016
Cash Flows from Operating Activities				
Loss before income tax	(6,176)	(3,271)	(6,151)	(10,249)
Adjustments for:				
Unrealised foreign exchange (gain)/loss	(21)	2	(47)	(1,243)
Depreciation of property and equipment	137	128	278	255
Interest expense	1	1,307	1	2,502
Interest income	(1)	(79)	(1)	(153)
Loss on disposal of financial assets, available-for-sales	(5)	-	(5)	-
Net fair value loss/(gain) on financial assets, at fair value through profit or loss	53	48	(54)	520

Allowance for/(Write-back of) impairment loss on financial assets, available-for-sale	2	(66)	4	5,551
Loss on conversion of debt instrument to equity, available-for-sale	-	-	-	60
Gain on disposal of property and equipment	(2)	-	(2)	(1)
(Write-back of provision)/Provision for withholding tax expense	-	514	-	755
Allowance for impairment loss of other receivables – third party	-	9	-	52
Write-back of impairment loss on investment in an associate	-	(352)	-	(352)
Dilution loss on investment in an associate	-	352	-	352
Write-off of other payables	-	(120)	-	(120)
Loss on striking-off of a dormant subsidiary	1,869	-	1,869	-
Share-based compensation expenses	4,120	-	4,120	-
Operating cash flows before working capital changes	(23)	(1,528)	12	(2,071)
Changes in operating assets and liabilities				
Financial assets, at fair value through profit or loss	-	13	-	487
Receivables	(28)	438	(75)	374
Payables	(103)	1,779	(62)	2,188
Cash (used in)/generated from operations	(154)	702	(125)	978
Income tax and withholding tax paid	(201)	(55)	(201)	(56)
Net cash (used in)/generated from operating activities	(355)	647	(326)	922
Cash Flows from Investing Activities				
Purchase of property and equipment	(236)	(64)	(392)	(267)
Interest received	1	21	1	36
Proceeds from disposal of property and equipment	2	-	2	10
Proceeds from disposal of a financial assets, available-for-sale	32	-	32	-
Purchase of additional shareholding in a subsidiary	-	(500)	-	(500)
Net cash used in investing activities	(201)	(543)	(357)	(721)
Cash Flows from Financing Activities				
Repayment of finance lease liabilities	(8)	(8)	(16)	(16)
Payment of share issue expenses	-	-	-	(1)
Interest paid	(1)	(1)	(1)	(2)
Dividends paid to non-controlling shareholder of a subsidiary	-	(343)	-	(343)
Proceeds from borrowings	1,044	-	1,044	-
Net cash generated from/(used in) from financing activities	1,035	(352)	1,027	(362)
Net increase/(decrease) in cash and cash equivalents	479	(248)	344	(161)
Cash and cash equivalents at the beginning of the period	358	2,109	498	2,019
Effect of changes in foreign exchange rates on cash and cash equivalents	3	(2)	(2)	1
Cash and cash equivalents at the end of the period	840	1,859	840	1,859

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	GROUP S\$'000		GROUP S\$'000	
	2Q2017	2Q2016	1H2017	1H2016
Cash at bank and on hand	840	1,859	840	1,859
Short-term bank deposits	-	3	-	3
	840	1,862	840	1,862
Less: Bank balances and deposits pledged	-	(3)	-	(3)
Cash and cash equivalents per consolidated statement of cash flows	840	1,859	840	1,859

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.

Statement of Changes in Equity for the Group

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Other reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
1Q2017								
Balance at 1 January 2017	127,294	-	(5,214)	(984)	(115,999)	5,097	2,740	7,837
(Loss)/Profit for the period	-	-	-	-	(51)	(51)	90	39
Other comprehensive loss, net of tax:								
Foreign currency translation loss	-	-	(179)	-	-	(179)	(55)	(234)
Total comprehensive (loss)/income for the period	-	-	(179)	-	(51)	(230)	35	(195)

Balance at 31 March 2017	127,294	-	(5,393)	(984)	(116,050)	4,867	2,775	7,642
2Q2017								
(Loss)/Profit for the period	-	-	-	-	(6,233)	(6,233)	67	(6,166)
Other comprehensive income/(loss), net of tax:								
Foreign currency translation loss	-	-	884	-	-	884	(4)	880
Total comprehensive (loss)/income for the period	-	-	844	-	(6,233)	(5,349)	63	(5,286)
Issue of shares	4,120	-	-	-	-	4,120	-	4,120
Striking off a dormant subsidiary	-	-	-	962	-	-	-	962
Balance at 30 June 2017	131,414	-	(4,509)	(22)	(122,283)	4,600	2,838	7,438

1Q2016

Balance at 1 January 2016	107,095	1,525	(4,916)	(1,484)	(120,389)	(18,169)	4,076	(14,093)
(Loss)/Profit for the period	-	-	-	-	(7,152)	(7,152)	178	(6,974)
Other comprehensive (loss)/profit, net of tax:								
Net change in fair value of financial assets, available-for-sale	-	(1,378)	-	-	-	(1,378)	-	(1,378)
Foreign currency translation gain	-	-	215	-	-	215	66	281
Total comprehensive (loss)/income for the period	-	(1,378)	215	-	(7,152)	(8,315)	244	(8,071)
Share issue expenses	(1)	-	-	-	-	(1)	-	(1)
Balance at 31 March 2016	107,094	147	(4,701)	(1,484)	(127,541)	(26,485)	4,320	(22,165)

2Q2016

(Loss)/Profit for the period	-	-	-	-	(3,457)	(3,457)	190	(3,267)
Other comprehensive income/(loss), net of tax:								
Net change in fair value of financial assets, available-for-sale	-	798	-	-	-	798	-	798
Foreign currency translation loss	-	-	(135)	-	-	(135)	(33)	(168)
Total comprehensive income/(loss) for the period	-	798	(135)	-	(3,457)	(2,794)	157	(2,637)
Dividends paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	(343)	(343)
Acquisition of additional interest in a subsidiary	-	-	-	(22)	-	(22)	(1,478)	(1,500)
Balance at 30 June 2016	107,094	945	(4,836)	(1,506)	(130,998)	(29,301)	2,656	(26,645)

Statement of Changes in Equity for the Company

	Share capital S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
1Q2017				
Balance at 1 January 2017	127,294	-	(121,657)	5,637
Loss for the period	-	-	(466)	(466)
Total comprehensive loss for the period	-	-	(466)	(466)
Balance at 31 March 2017	127,294	-	(122,123)	5,171
2Q2017				
Loss for the period	-	-	(4,648)	(4,648)
Total comprehensive loss for the period	-	-	(4,648)	(4,648)
Issue of shares	4,120	-	-	4,120
Balance at 30 June 2017	131,414	-	(126,771)	4,643
1Q2016				
Balance at 1 January 2016	107,095	1,525	(128,718)	(20,098)
Loss for the period	-	-	(6,619)	(6,619)
Other comprehensive loss, net of tax:				
Net change in fair value of financial assets, available-for-sale	-	(1,378)	-	(1,378)
Total comprehensive loss for the period	-	(1,378)	(6,619)	(7,997)
Share issue expenses	(1)	-	-	(1)

Balance at 31 March 2016	107,094	147	(135,337)	(28,096)
2Q2016				
Loss for the period	-	-	(2,006)	(2,006)
Other comprehensive gain, net of tax:				
Net change in fair value of financial assets, available-for-sale	-	797	-	797
Total comprehensive income/(loss) for the period	-	797	(2,006)	(1,209)
Balance at 30 June 2016	107,094	944	(137,343)	(29,305)

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, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued share capital

	No. of shares	Amount S\$
As at 30 June 2017	31,645,762,183	131,413,946
	No. of shares	
As at 1 April 2017	27,525,762,183	
Issue ordinary shares	4,120,000,000	
As at 30 June 2017	31,645,762,183	

As at 30 June 2017, the Company did not hold any treasury shares (30 June 2016: Nil).

Blumont Employee Share Option 2013 ("Blumont ESOS 2013")

No share options under the Blumont ESOS 2013 have been granted for the second quarter and six months ended 30 June 2017 (30 June 2016: Nil).

Performance Share Plan ("Blumont PSP")

As announced on 13 June 2017, the Company granted 4,120,000,000 performance shares at S\$0.001 per shares to directors and employees of the Company under Blumont PSP on 13 June 2017. As announced on 19 June 2017, the shares were allotted and issued on 19 June 2017.

No incentive share awards under the Blumont PSP have been granted for the second quarter and six months ended 30 June 2016.

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.

	As at 30/06/2017	As at 31/12/2016
Total number of issued ordinary shares	31,645,762,183	27,525,762,183

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 independent auditor's report (including any qualifications or emphasis of a matter).

Not applicable.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those as disclosed under paragraph 5.

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.

On 1 January 2017, the Group adopted the following new/revised/amended Financial Reporting Standards ("FRSs").

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 <i>Statement of Cash Flows</i>	1 January 2017
Amendments to FRS 12 <i>Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2017

The adoption of the above FRSs, do not/have no material impact on the financial position or financial performance of the Group.

6. Loss 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.

Loss per share for loss attributable to the owners of the Company	GROUP		GROUP	
	2Q2017	2Q2016	1H2017	1H2016
(i) On the weighted average number of ordinary shares in issue (in cents)	(0.02)	(0.08)	(0.02)	(0.24)
- Weighted average number of shares	28,069,058,886	4,514,224,998	27,798,911,354	4,514,224,998
(ii) On a fully diluted basis (in cents)	(0.02)	(0.08)	(0.02)	(0.24)
- Adjusted weighted average number of shares	28,069,058,886	4,514,224,998	27,798,911,354	4,514,224,998

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

	GROUP		COMPANY	
	As at 30/06/2017	As at 31/12/2016	As at 30/06/2017	As at 31/12/2016
Net assets value per ordinary share based on issued share capital at the end of the financial year (owners of the Company) (in cents)	0.02	0.03	0.01	0.02

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.

Commentary on the Consolidated Statement of Profit or Loss and Other Comprehensive (Loss)/Income

Statement of Profit or Loss

The net other losses was S\$1.89 million for 2Q2017 (2Q2016: net other gains of S\$0.28 million) and S\$1.74 million for 1H2017 (1H2016: net other gains of S\$1.64 million) mainly comprise of:

- loss on strike-off of a dormant subsidiary of \$1.87 million for 2Q2017 and 1H2017 (2Q2016 and 1H2016: Nil);
- net fair value loss on financial assets, at fair value through profit or loss of S\$0.05 million for 2Q2017 (2Q2016: S\$0.05 million) and net fair value gain on financial assets, at fair value through profit or loss of S\$0.05 million (1H2016: net fair value loss of S\$0.52 million). The reported fair value (loss)/gain arose from the mark-to-market adjustment of the value of the quoted financial assets, at fair value through profit or loss based on market bid prices on the securities held. The quoted financial assets, at fair value through profit or loss comprised of a portfolio of equity investments in companies listed in the Singapore Exchange;
- net currency exchange gain of S\$0.03 million for 2Q2017 (2Q2016: S\$0.01 million) and S\$0.05 million for 1H2017 (1H2016: S\$1.98 million);
- interest income of S\$1,000 for 2Q2017 (2Q2016: S\$0.08 million) and S\$1,000 for 1H2017 (1H2016: S\$0.15 million) attributed to the assignment of loan receivable as a result from the repayment of loan from Wintercrest Advisors LLC

("Wintercrest Loan") in accordance with Settlement Agreement with Wintercrest Advisors LLC ("Wintercrest") completed on 25 November 2016;

- (e) claims amounting to S\$0.11 million (being two out of five equal installments) received from Prospect Resources Limited following the announcement made by the Company on 15 August 2015 which was recognised in 2Q2016 and 1H2016. No such income in 1Q2017 and 1H2017;
- (f) write-off of other payables of S\$0.12 million in 2Q2016 and 1H2016 following settlement agreement between the Consortium and following the claims received from Prospect Resources Limited. No such income in 2Q2017 and 1H2017; and
- (g) loss on conversion of debt instrument to equity, available-for-sale of S\$0.06 million for 1H2016. No such losses incurred in 1H2017.

Raw materials and consumables used increased by S\$5,000 or 24% from S\$21,000 for 2Q2016 to S\$26,000 for 2Q2017 due to increase in raw material prices in 2Q2017. Despite the increase in raw material prices in 2Q2017, the raw materials and consumables used had slightly decreased by S\$0.01 million or 19% from S\$0.05 million for 1H2016 to S\$0.04 million for 1H2017 creditable to overall lower raw material prices throughout 1H2017.

Employee benefits increased by S\$4.10 million or 100% from S\$0.47 million for 2Q2016 to S\$4.57 million for 2Q2017 and increased by S\$4.06 million or 100% from S\$0.93 million for 1H2016 to S\$4.99 million for 1H2017 was mainly due to shares allotted and issued pursuant to Blumont PSP by the Company in 2Q2017.

Other expenses decreased by S\$2.20 million for 2Q2017, from S\$2.76 million for 2Q2016 to S\$0.56 million for 2Q2017 and decreased by S\$3.60 million for 1H2017, from S\$4.70 million for 1H2016 to S\$1.09 million for 1H2017 was mainly due to decrease in:

- (a) administration and professional fees in relation to loan from Wintercrest Advisors, LLC ("Wintercrest Loan") by S\$1.31 million for 2Q2017 as compared to 2Q2016 (2Q2017: S\$3,000; 2Q2016: S\$1.31 million) and S\$2.51 million for 1H2017 as compared to 1H2016 (1H2017: S\$4,000; 1H2016: S\$2.51 million);
- (b) bad debts written off by S\$0.08 million for 2Q2017 and 1H2017 as compared to 2Q2016 and 1H2016 (2Q2017 and 1H2017: Nil; 2Q2016 and 1H2016: S\$0.08 million);
- (c) other professional and consultancy fee by \$0.29 million for 2Q2017 as compared to 2Q2016 (2Q2017: S\$0.01 million; 2Q2016: S\$0.30 million); and
- (d) write-back of provision for withholding tax expenses of S\$0.10 million for 2Q2017 and 1H2017 as compared to 2Q2016 and 1H2016 respectively (2Q2016: provision for withholding tax expenses of S\$0.51 million; 1H2016: provision for withholding tax expenses of S\$0.76 million).

Impairment loss on financial assets, available-for-sale of S\$2,000 for 2Q2017 (2Q2016: Write-back of impairment loss on financial assets, available-for-sale of S\$0.07 million) and S\$4,000 for 1H2017 (1H2016: S\$5.55 million) were attributed to the assignment of asset as a result from repayment of Wintercrest Loan in accordance with Settlement Agreement with Wintercrest completed on 25 November 2016. The adjustment to impairment losses recognised was due to "significant" or "prolonged" decline in the fair value in 1Q2017 of the equity investments classified as financial assets, available-for-sale.

Finance cost decreased by S\$1.31 million from S\$1.31 million in 2Q2016 to S\$1,000 in 2Q2017, and decreased by S\$2.50 million from S\$2.50 million in 1H2016 to S\$1,000 in 1H2017. The decrease was due to repayment of Wintercrest Loan completed on 25 November 2016.

Dilution loss on investment in an associate of S\$0.35 million for 2Q2016 and 1H2016 pertains to reclassification from "Impairment loss on investment in an associate" for dilution adjustment on shareholding of investment in an associate. The associate was disposed in accordance with Settlement Agreement with Wintercrest completed on 25 November 2016.

The Group determines whether there is any objective evidence that the investment in an associate is impaired at end of each reporting period. Reclassification of impairment loss on investment in an associate of S\$0.35 million to dilution loss on investment in an associate for 2Q2016 and 1H2016 pertains to adjustment of the Group's recoverable value on shareholding dilution of investment in an associate. The associate was disposed in accordance with Settlement Agreement with Wintercrest completed on 25 November 2016.

Income tax credit of S\$10,000 for 2Q2017 (2Q2016: S\$4,000) mainly pertains to deferred tax liabilities recognised for taxable temporary difference and accrual incurred.

Income tax credit of S\$24,000 for 1H2017 (1H2016: S\$8,000) mainly pertains to deferred tax liabilities of S\$25,000 for 1H2017 (1H2016: S\$9,000) recognised for taxable temporary differences for depreciation and accruals incurred in accordance with FRS12 Income taxes.

Other Comprehensive Loss

Foreign currency translation loss on translating foreign operations of S\$0.03 million for 2Q2017 (2Q2016: S\$0.17 million) and S\$0.26 million for 1H2017 (1H2016: foreign currency translation gain of S\$0.11 million) relates to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rate*.

Foreign currency translation loss reclassified to profit or loss of S\$0.91 million for 2Q2017 and 1H2017 (2Q2016 and 1H2017: Nil) was due to strike-off of a dormant subsidiary.

Net changes in fair value of financial assets, available-for-sale was S\$0.76 million for 2Q2016 and for 1H2016. Net changes in fair value of financial assets, available-for-sale was due to recognition of unrealised fair value changes from the mark-to-market adjustment of the value of the portfolio of the quoted investments listed in the Australian Securities Exchange.

The Group reclassified S\$0.04 million of net fair value loss of financial assets, available-for-sale to profit or loss for 2Q2016 and S\$1.34 million cumulative gain of financial assets, available-for-sale to profit or loss for 1H2016 as there were “significant” or “prolonged” decline in the fair value in 1H2016 of the equity investments, classified as financial assets, available-for-sale.

Commentary on the Statement of Financial Position

Cash and bank balances increased by S\$0.34 million or 69% from S\$0.50 million as at 31 December 2016 to S\$0.84 million as at 30 June 2017. The increase was mainly due to the Group drawdown a credit facility of approximately S\$1.04 million, offset by payment of withholding tax of S\$0.20 million and operating expenses during the period.

Financial assets, at fair value through profit or loss increased by S\$0.06 million or 41% from S\$0.13 million as at 31 December 2016 to S\$0.19 million as at 30 June 2017. The increase in financial assets, at fair value through profit or loss was mainly due to mark-to-market adjustment of quoted equity shares held with additional net gain of S\$0.05 million. Financial assets, at fair value through profit or loss were stated at their fair value based on their quoted bid prices at the end of each reporting period.

Other current assets increased by S\$0.09 million or 23% from S\$0.37 million as at 31 December 2016 to S\$0.46 million as at 30 June 2017 was mainly due to increase in prepayment of S\$0.11 million and offset against the decrease in deposit of S\$0.02 million.

Financial assets, available-for-sale decreased by S\$0.03 million or 97% from S\$0.03 million as at 31 December 2016 to S\$1,000 as at 30 June 2017 was mainly due to disposal of quoted equity investments of S\$28,000 and allowance of impairment for financial assets, available-for-sale of S\$4,000 recognised in the profit or loss. Financial assets, available-for-sale were stated at their fair value based on their quoted bid prices at the end of each reporting period.

Current and non-current borrowings increased by S\$1.03 million from S\$0.08 million as at 31 December 2016 to S\$1.11 million as at 30 June 2017 was mainly due to the Groups drawdown of credit facility during the period.

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

Not applicable as there is 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 performance of the sterilisation segment of the Group has been consistent. Barring any unforeseen circumstances, we do not expect any substantial variation in its performance.

The Group's investment holding segment including quoted equity investment classified as the portfolio of quoted financial assets, available-for-sale, including the portfolio under the mineral and energy resources ties to the changes in the financial market and global economy with uncertainty and volatility in the investment outlook. The mineral and energy resources segment is a highly risky business and requires time, effort, investment and development.

To-date, the following legal proceeding is still pending:

Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd (“Raintree”)

On 26 April 2016, the Company announced via SGXNET that Raintree, a wholly owned subsidiary of Blumont Group Ltd., had been notified that it had on 22 April 2016, been served with a writ of summons and state of claim filed in the high court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title to the property, an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation.

The Group is currently seeking legal advice and will, in consultation with its solicitors, take such necessary steps to defend the Legal Proceedings. The Group reserves all its rights on the matter. The Company will disclose any updates or further information on the legal proceedings when it is appropriate to do so.

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.

The Board of Directors does not recommend any payment of dividends for the first quarter and three months ended 30 June 2017.

13. If the Group has obtained a general mandate from shareholders for interested person transactions (“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 dividend has been declared/recommended, a statement to that effect.

The Company did not obtain a general mandate from shareholders for IPTs.

14. Confirmation pursuant to Rule 705(5) of the listing manual.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the second quarter and six months ended 30 June 2017 to be false or misleading.

On behalf of the Board of Directors

Ng Kim Huatt
Director

Calvin Lim Huan Kim
Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officer under Rule 720(1) of the listing manual.

The Company hereby confirms that it has procured undertakings from all its directors and executive officer under Rule 720(1) of the listing manual.

16. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

Not applicable.

PART II– VOLUNTARILY DISCLOSURE OF ADDITIONAL INFORMATION

17. Breakdown of financial assets, at fair value through profit or loss

The financial assets, at fair value through profit or loss are as follows:

	GROUP		COMPANY	
	2017 S\$000	2016 S\$000	2017 S\$000	2016 S\$000
<u>First quarter ended 31 March</u>				
Balance as at 1 January	133	1,074	-	2
Disposals	-	(474)	-	-
Write-off	* (-)	-	-	-
Fair value gain/(loss)	107	(472)	-	(1)
Balance as at 31 March	240	128	-	1
<u>Second quarter ended 30 June</u>				
Disposals	-	(13)	-	(1)
Fair value loss	(53)	(48)	-	* (-)
Balance as at 30 June	187	67	-	-

At fair value on initial recognition:

Listed securities:

Equity securities – Singapore	187	67	-	-
Total as at 30 June	187	67	-	-

*: < S\$1,000

18. Breakdown of financial assets, available-for-sale

The investees held in the mineral and energy resources segments of the Group as at 30 June 2017 includes Elysium Resources Limited classified as follows:

	GROUP		COMPANY	
	2017 S\$000	2016 S\$000	2017 S\$000	2016 S\$000
Quoted equity investments (a)	1	4,732	1	4,732
Cokal Convertible Loan (b)	-	-	-	-
Total Financial assets, available-for-sale	30	4,733	30	4,733

(a) Quoted equity investments

At fair value

First quarter ended 31 March

Balance as at 1 January	32	10,849	32	10,849
Additions through conversion of debt owed by Elysium Resources Limited	-	15	-	15
Cumulative change in fair value of financial assets, available-for-sale reclassified to profit or loss	-	(1,378)	-	(1,378)
Allowance for impairment recognised during the period	(2)	(5,617)	(2)	(5,617)
Balance as at 31 March	30	3,869	30	3,869

Second quarter ended 30 June

Disposal	(27)	-	(27)	-
(Allowance for)/Write-back of impairment recognised during the period	(2)	66	(2)	66
Cumulative fair value changes recognised in other comprehensive income	-	798	-	798
Balance as at 30 June	1	4,733	1	4,733

(b) Cokal Convertible Loan

First quarter ended 31 March and second quarter ended 30 June

Balance as at 1 January	-	4,806	-	4,806
Allowance for impairment recognised during the period	-	(4,806)	-	(4,806)
Balance as at 31 March and 30 June	-	-	-	-
Total Financial assets, available-for-sale	1	4,733	1	4,733

19. Going concern assumption

The Board hereby confirms, to the best of its knowledge and opinion, that the Group can continue as a going concern.

The Board has reviewed the Group's cash flow requirements for the next 12 months and the fundraising initiatives and believe that although uncertainties exist, there are reasonable grounds to believe that the Company will be able to raise sufficient funds to enable the Group to fund its operations in the next 12 months. The basis for making this statement is as follows:

- Cash inflow from sterilisation business.** The Group's sterilisation business is expected to generate approximately S\$1.1 million (RP10,224.8 million) of cash inflow to the Group in financial year 2017. The sterilisation business had generated positive cashflows to the Group.
- Cash inflow from sale of property.** The Group has on 12 July 2017 entered a sales and purchase agreement (the "Agreement") to dispose one unit Clear Water Residence in Malaysia which is valued at RM850,000 (approximately S\$0.3 million). The Group had received RM300,000 (approximately S\$0.1 million) to-date and will receive the remaining within 90 days from date of signing the Agreement.

- (c) **Cash inflow from sale of Trackplus Land.** As announced on 4 December 2015, the Company's 65% indirectly-owned subsidiary, Trackplus Sdn Bhd ("**Trackplus**") entered into a joint venture agreement with Eminent Envisage Sdn Bhd ("**Developer**") on 4 December 2015 ("**JV Agreement**"), pursuant to which Trackplus and the Developer will enter into a joint venture to undertake residential and/or commercial development on a piece of leasehold land located in Selangor measuring approximately 7,863 square meters ("**JV Land**"). Trackplus is the registered and beneficial owner of the JV Land while the Developer will undertake residential and/or commercial development on the JV Land (the "**Project**") subject to all necessary approvals from relevant authorities. The Group is currently in the process of obtaining all the necessary approvals from the relevant authorities to develop the JV Land to generate income for the Group. A notable milestone was achieved when the Developer received the Developer Order for the Project on 10 January 2017. The leasehold land was valued at approximately S\$9.5 million (RM30.0 million) as at 9 March 2017 based on independent valuer's valuation report. The Group is considering to sell the Trackplus Land if required.
- (d) **Application for deferment and request for instalment repayment plan on withholding tax.** The Company has received two demand notes from the Inland Revenue Authority of Singapore ("**IRAS**") on 8 February 2017 to pay the outstanding withholding taxes of S\$1.1 million on interest expenses incurred on financing loan from Wintercrest Advisors LLC. A penalty of 5% amounting to S\$0.1 million has also been imposed to-date. The Company's tax agent had applied to IRAS on 29 December 2016 to defer and request for instalment repayment plan and was rejected. The Company subsequently appointed a legal advisor to submit a second application for the deferment and request of instalment repayment plan to IRAS on 7 March 2017, and IRAS was not able to accede with the request. Subsequently, Blumont's legal advisor had assist to make an appeal and has the Company received a letted dated 30 June 2017 from IRAS on agreement to waive a portion of the late penalty fee but the withholding tax on interest payment is still fully payable by instalment.
- (e) **Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd.** On 26 April 2016, Raintree Rock Sdn Bhd ("**Raintree**"), a wholly owned subsidiary of Blumont Group Ltd., had been notified that it had on 22 April 2016, been served with a writ of summons and state of claim filed in the high court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title of Suasana Sentral Kuala Lumpur condominium (the "**Property**"), an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation. The Group is currently seeking legal advice and will, in consultation with its solicitors, take such necessary steps to defend the Legal Proceedings. The Group reserves all its rights on the matter. The Company will disclose any updates or further information on the Legal Proceedings when it is appropriate to do so. Thereafter, the Group will dispose the Property upon settlement of the Legal Proceedings.

In addition to the above, the Company's management is constantly working on other fund raising initiatives, for which announcements will be made when appropriate.

BY ORDER OF THE BOARD
Blumont Group Ltd.

Ng Kim Huatt
Executive Director
11 August 2017