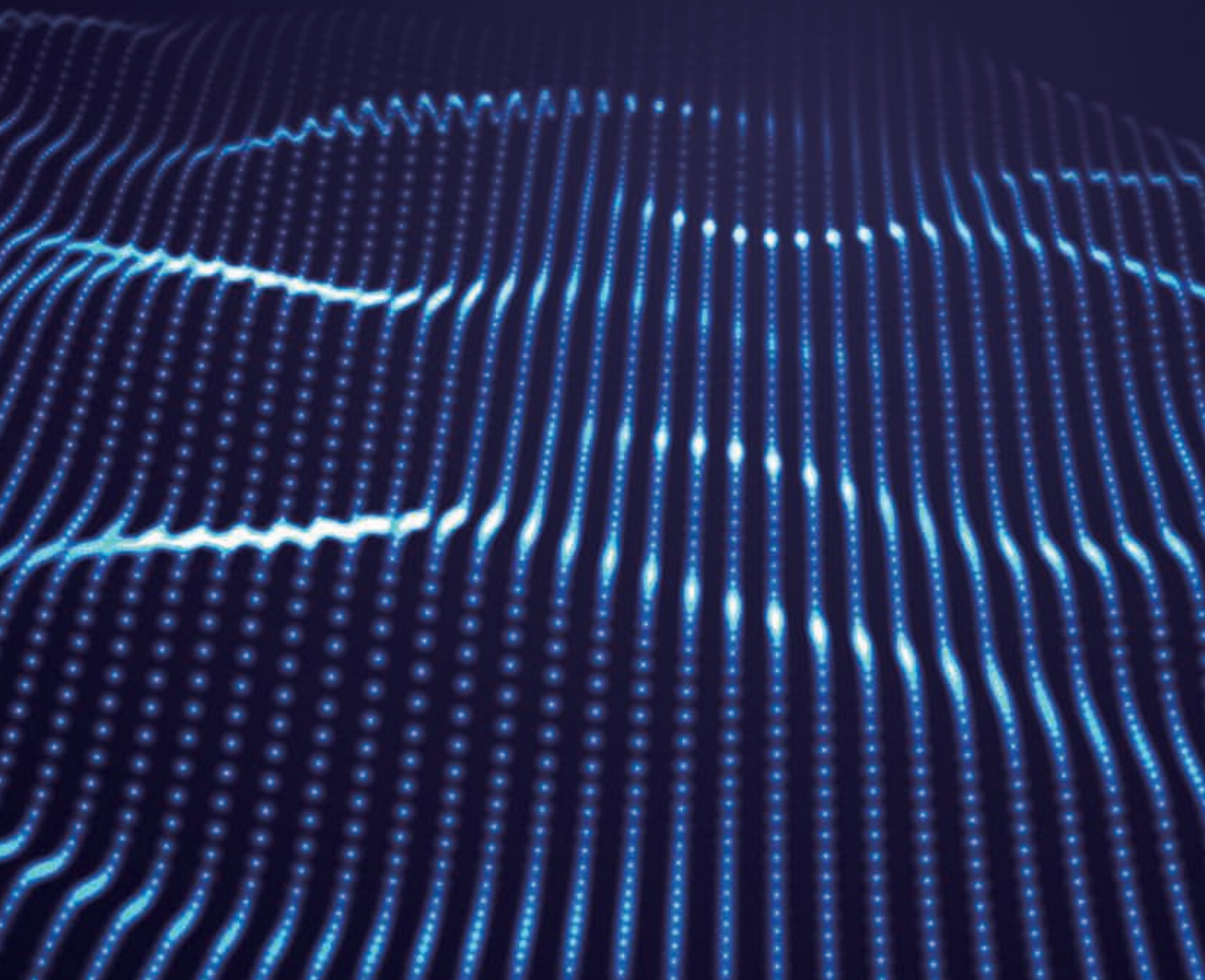


BLUMONT

博诺有限公司

ANNUAL REPORT 2020



CONTENTS

Overview	1-2
Corporate Information	1
Board of Directors	2
Operating and Financial Review	3-6
Chairman's Statement	3
Group Structure	4
Mission Statement and Management Team	5
Audited Year End Summary	6
Corporate Governance Report	7-37
Financial Statements	38-122
Directors' Statement	38-43
Independent Auditor's Report	44-48
Consolidated Statement of Comprehensive Income	49
Statements of Financial Position	50
Consolidated Statement of Changes in Equity	51-52
Consolidated Statement of Cash Flows	53
Notes to the Financial Statements	54-122
Statistics of Shareholdings as at 12 March 2021	123-124
Distribution of Shareholders by Size of Shareholdings	123
Substantial Shareholders	123
Public Float	123
Top Twenty Shareholders	124
Annual General Meeting	125-129
Notice of Annual General Meeting	125-129
Proxy Form	

CORPORATE INFORMATION

BOARD COMPOSITION

• Board of Directors

Siaw Lu Howe
(Non-Executive Chairman)
John Lee Yow Meng
(Executive Director and Chief Financial Officer)
Alan Chin Yu
(Executive Director (Appointed on 6 November 2020))
Ng Keok Chai
(Lead Independent Director)
Tan Gim Kang, Arran
(Independent Non-Executive Director)
Aris Muhammad Rizal
(Independent Non-Executive Director)

• Audit Committee

Ng Keok Chai
(Chairman)
Tan Gim Kang, Arran
Aris Muhammad Rizal

• Remuneration Committee

Ng Keok Chai
(Chairman)
Tan Gim Kang, Arran
Aris Muhammad Rizal

• Nominating Committee

Tan Gim Kang, Arran
(Chairman)
Ng Keok Chai
Aris Muhammad Rizal

COMPANY SECRETARY

Nor Hafiza Alwi, FCIS

REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITORS

PKF-CAP LLP

Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 1 #38-01,
Singapore 068809

Audit Partner in charge
(appointment since financial year 2020)

Lee Eng Kian

REGISTERED OFFICE

Apex @ Henderson
201 Henderson Road
#03-26/27
Singapore 159545
Tel : (65) 6332 9488
Fax : (65) 6332 9489

OPERATING SUBSIDIARIES

• Singapore

Tria Holdings Pte. Ltd.
Asphere Holdings Pte. Ltd.
Adroit Innovations
Investment Pte Ltd

Apex @ Henderson
201 Henderson Road
#03-26/27
Singapore 159545

• Malaysia

Raintree Rock Sdn. Bhd.
Trackplus Sdn. Bhd.
Gemisuria Corporation Sdn. Bhd.

No. 177-3, 3rd Floor,
Jalan Sarjana
Taman Connaught, Cheras
56000 Kuala Lumpur
Malaysia

• Indonesia

PT Rel-ion Sterilization Services

Kampung Meriuk RT 002 RW
002 Gandamekar
West Cikarang
Berkasi – West Java 17520
Indonesia

• Seychelles

Solid Base Limited

P.O. Box 1239
Offshore Incorporations Centre
Victoria, Mahe
Seychelles

PRINCIPAL BANKERS

DBS Bank Ltd
12 Marina Boulevard
Level 3
Marina Bay Financial Centre
Tower 3
Singapore 018982

HL Bank
1 Wallich Street
#29-01 Guoco Tower
Singapore 078881

Maybank Singapore
2 Battery Road
#21-01 Maybank Tower
Singapore 049907

BOARD OF DIRECTORS

MR ALAN CHIN YU

Executive Director

Mr Alan Chin Yu was appointed as Executive Director of the Group on 6 November 2020. He is a Bachelor of Commerce graduate from the University of Western Australia and a Fellow member of the Institute of Chartered Accountants in Australia.

He has extensive experience in auditing in Australia and Malaysia has many years of experience in corporate banking while working for a Malaysian bank. At the time of his departure from the bank, he was the Chief Internal Auditor. He started his own timber trading business and joined a company listed on the Kuala Lumpur Stock Exchange as Assistant Managing Director, where he was actively involved with the Group's trading business, property management and development and hotel construction.

Mr Yu has been a Management Consultant, Business Advisor and Public Accountant in Australia over the past 20 years. He is a member of the Board of some foreign own companies operating in Australia who are in property development and trading.

He was also formerly the Chief Financial Officer and Executive Director of the Group.

MR. JOHN LEE YOW MENG

Executive Director and Chief Financial Officer

Mr. John Lee Yow Meng was appointed Executive Director and Chief Financial Officer of the Group on 25 April 2019. He is a member of the Institute of Commercial and Industrial Accountants. He has extensive experience in auditing, taxation, financial management, treasury operations and company secretarial work across many industries such as banking, manufacturing, retail, travel, property development, insurance and information technology.

MR. SIAW LU HOWE

Non-Executive Chairman

Mr. Siaw Lu Howe was appointed Executive Chairman and Chief Executive Officer of the Group on 6 December 2017 and subsequently re-designated as Non-Executive Chairman on 17 April 2019. He has had over 20 years of experience in managing diverse businesses, such as in hospitality, real estate and mining services industries, primarily located in the state of Sarawak, Malaysia. Mr. Siaw has been a director at Sri Datai Construction (Sarawak) Sdn Bhd since 1995 and at Modal Sempura Sdn Bhd since 2009 and is currently advisor to Juara Cahya Sarawak Sdn Bhd, since 2015.

MR NG KEOK CHAI

Lead Independent Director

Mr Ng Keok Chai was appointed as Lead Independent Director, Chairman of the Audit Committee and Remuneration Committee, and a member of the Nominating Committee on 25 April 2019. Mr Ng holds a Bachelor of Laws (Hons.) from University of Wolverhampton, London and Certificate of Legal Practice from Legal Profession Qualifying Board, Malaysia. Mr Ng started his early career as a Police Inspector with the Royal Malaysia Police in 1982. He was then posted to serve in Sarawak for 20 years until the rank of Assistant Superintendent of Police. During his tenure in Sarawak, his exposure included the Criminal Investigation Department ("CID"), General Duty and Police Field Force. In 2003, Mr Ng was transferred to West Malaysia to serve in Commercial Crime Investigation Department until his retirement in 2019. Mr Ng was promoted to Assistant Commissioner of Police in 2016 and his last held position was Principal Assistant Director in Forensic Accounting Investigation Division, CCID, Royal Malaysia Police, Bukit Aman. Throughout his 36 years' service in Royal Malaysia Police, he was very much involved in police investigations due to his legal background. He specialises in criminal investigation across various fields which include commercial crime, general crime and forensic accounting with ample management and special operations experience.

MR. TAN GIM KANG, ARRAN

Independent Non-Executive Director

Mr. Tan Gim Kang, Arran was appointed Independent Non-Executive Director on 30 May 2014. He is the Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee and Compensation Committee. He has vast experience in the general civil and structural engineering, project management, construction management and traffic engineering and carpark management industry. Mr. Tan graduated with a Bachelor of Engineering (Civil) from the University of Canterbury in 1986.

MR. ARIS MUHAMMAD RIZAL

Independent Non-Executive Director

Mr. Aris Muhammad Rizal was appointed Independent Non-Executive Director on 10 October 2014. He is a member of the Audit Committee, Nominating Committee, Remuneration Committee and Compensation Committee since 10 October 2014. He holds a Bachelor of Engineering (Geological) from the University of Padjadjaran, Indonesia and is currently the Operational Manager at PT. Denichi Amina Selaras which is an Indonesian private company holding iron ore mining interests in Aie Dingin, West Sumatra, Indonesia which undertakes a wide array of activities including exploration.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**") of Blumont Group Ltd. ("**Blumont**" or the "**Company**" and together with its subsidiaries, the "**Group**"), I am pleased to present to you the Group's annual report for the financial year ended 31 December 2020 ("**FY2020**").

The outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of businesses, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in a reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess the extent in which these series of events provide additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities as at 31 December 2020.

STERILIZATION BUSINESS

The sterilization business has continued to perform reasonably in 2020 in spite of the uncertainties caused by the pandemic. Whilst trading conditions remain difficult in 2021, I am however cautiously optimistic that the roll out of vaccines in Indonesia and around the world will lead to a near normal resumption of supply chains and international business.

As a provider of services to many industries including pharmaceutical, medical, food and some agricultural products our wholly owned subsidiary, PT Rel-ion is in good position to recover in the later part of 2021.

The Board will however continue to monitor and identify ways to improve the business operations and profitability in 2021.

INVESTMENT REVIEW

There will be significant changes to the proposed acquisition of Samadhi Retreats Pte Ltd following recent negotiations with the vendors. The Board will announce at the appropriate juncture as and when material and significant developments are achieved in relation to the proposed acquisition.

During FY2020, Raintree Rock Sdn. Bhd. ("**Raintree**"), a subsidiary of the Group, completed the sale of the property at the agreed original selling price.

For the upcoming years, the Board will continue to seek good investment opportunities to improve shareholders' value.

SUPPORT FROM MAJOR SHAREHOLDER

The Group's major shareholders continue to provide its support to the Group in FY2020, and will continue to do so as and when necessary.

CONCLUSION

On behalf of the Board, I would once again like to express my gratitude to every member of our Group. Our people were the pillar of our success all along. I would like to thank my fellow Board members, all our staff and business partners for their contribution during the year. As we reach the new financial year, we will remain committed to optimize shareholder returns through exploring and seizing opportunities to further develop the business. We strive to further enhance the interest of shareholders moving forward. We appreciate the trust of all stakeholders and shareholders in the coming years towards a better future for Blumont.

Yours sincerely,

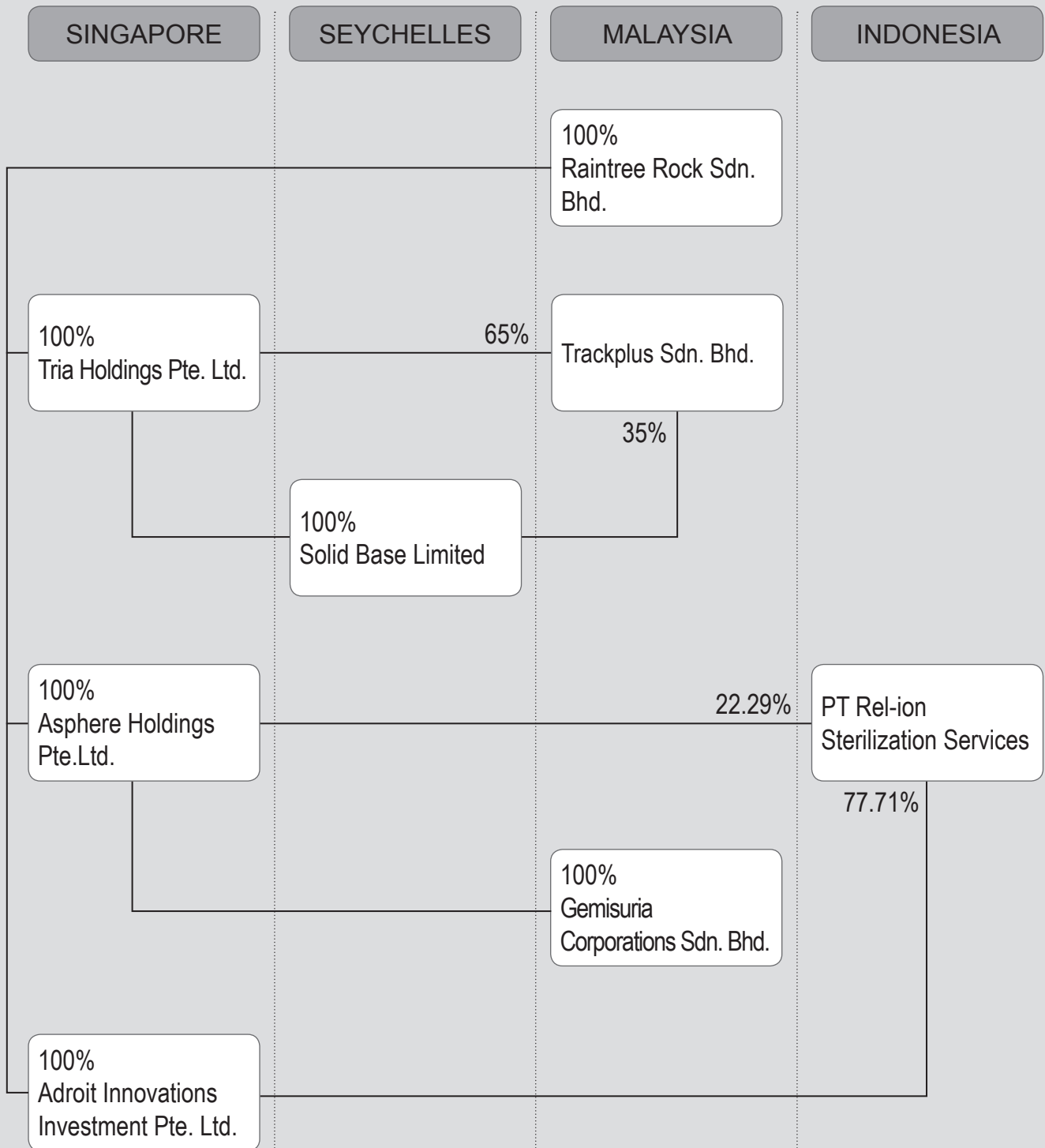
SIAW LU HOWE
Non-Executive Chairman

GROUP STRUCTURE

As at 31 December 2019

BLUMONT

博诺有限公司



MISSION STATEMENT AND MANAGEMENT TEAM

MISSION STATEMENT

To continue to re-engineer Blumont Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) into a niche strategic investor in businesses with the global market in mind, that can generate opportunities, scalability and growth for the Group.

MANAGEMENT TEAM

MR. ALAN CHIN YU

Executive Director of Blumont Group Ltd.

Mr Yu is responsible for the planning and implementation of the Group’s strategies and directions as well as overseeing the Group’s businesses and investments.

MR. JOHN LEE YOW MENG

Executive Director and Chief Financial Officer of Blumont Group Ltd.

Mr. John Lee Yow Meng is responsible for managing the overall financials of the Group.

MR. YUSMAN, SH

Managing Director of PT Rel-ion Sterilization Services

Mr. Yusman is responsible for the overall operational aspects and day-to-day management of PT Rel-ion Sterilization Services. He holds a degree in Law from the University of Tanjungpura, West Kalimantan, Indonesia.



AUDITED YEAR END SUMMARY

The Group

Consolidated Statement of Comprehensive Income – S\$	31 December 2020 12 months	31 December 2019 12 months
Operating Revenue	3,499,251	4,298,414
Other Gains/(Losses) – net	331,536	(20,267)
Total Expenses	(3,741,432)	(3,490,993)
Income Tax Expense	(467,739)	(585,111)
Total (Loss)/Profit: The Group	<u>(378,384)</u>	<u>202,043</u>
– Non-Controlling Interests	–	–
– Owners of the Company	(378,384)	202,043

The Group

Statements of Financial Position – S\$	31 December 2020	31 December 2019
Total Assets	11,067,195	12,753,288
Total Liabilities	(8,084,381)	(9,044,709)
Net Assets	<u>2,982,814</u>	<u>3,708,579</u>
Intangible Assets	–	–
Net Tangible Assets – The Group	2,982,814	3,708,579
Equity: The Group	2,982,814	3,708,579
– Non-Controlling Interests	–	–
– Owners of the Company	2,982,814	3,708,579

Owners of the Company

Per Share Computation	31 December 2020	31 December 2019
Number of Shares	27,570,762,183	27,570,762,183
Net Assets Value per Share – in cents	0.01	0.01
Net Tangible Assets per Share – in cents	0.01	0.01
Weighted Average Number of Shares	27,570,762,183	27,570,762,183
(Loss)/Profit per Share – in cents	(0.001)	0.001

The Group

Ratio Computation	31 December 2020	31 December 2019
Return on Assets	–3.4%	1.6%
Return on Equity	–12.7%	5.4%

CORPORATE GOVERNANCE REPORT

INTRODUCTION

This report outlines the main corporate governance practices and procedures adopted by Blumont Group Ltd. (“**Blumont**” or “**Company**” and together with its subsidiaries, the “**Group**”) with specific reference to the Code of Corporate Governance 2018 (“**Code**”). The Group and the Board of Directors (“**Board**”) are committed to ensure and fully supports the Principles and Provisions of the Code that forms part of the continuing obligations as described in the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) Listing Manual. The Board recognises that sound corporate governance practices are important to the proper functioning of the Group and enhances the interest of all shareholders.

This report describes the Company’s corporate governance practices that were in place throughout the financial year ended 31 December 2020 (“**FY2020**”), with specific reference to the Code.

The Board is pleased to confirm that the Group has adhered to the Principles and Provisions of the Code, except where otherwise explained. In areas where there are deviations from the Provisions of the Code, appropriate explanations are provided and the Company will continue to assess its needs and implement appropriate measures accordingly.

The Code

The Code is divided into five main sections, namely:

- (A) Board Matters
- (B) Remuneration Matters
- (C) Accountability and Audit
- (D) Shareholder Rights and Engagement
- (E) Managing Stakeholder Relationships

(A) BOARD MATTERS

Principle 1: The Board’s Conduct of its Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

As of the date of this report, the Board of Directors of the Company (“**Board**”) comprises six (6) members (“**Directors**”), namely:

Mr Siaw Lu Howe (Non-Executive Chairman)
 Mr John Lee Yow Meng (Executive Director and Chief Financial Officer)
 Mr Alan Chin Yu (Executive Director)
 Mr Ng Keok Chai (Lead Independent Non-Executive Director)
 Mr Tan Gim Kang, Arran (Independent Non-Executive Director)
 Mr Aris Muhammad Rizal (Independent Non-Executive Director)

The profile of each Director is presented in the section headed “Board of Directors” of this Annual Report.

Blumont is headed by competent Board members with diversified backgrounds and they collectively bring with them a wide range of experience. Each Director brings to the Board specific industry knowledge and expertise.

CORPORATE GOVERNANCE REPORT

Newly appointed Directors will be provided with a formal letter, setting out their duties and obligations and first-time Directors will be required to attend relevant training. The Company has in place general orientation-training programs to ensure that every newly appointed and incoming Director of the Company is familiar with the Group's operations and governance practices including briefing on the Group's financial performance, strategies and action plans, corporate strategic direction, policies and activities.

The Company will arrange for newly appointed Director who does not have prior experience as a director of a public listed company in Singapore to attend relevant training courses organised by the Singapore Institute of Directors as required under Rule 210(5)(a) of the Listing Manual and in accordance with Practice Note 2.3 as prescribed by the SGX-ST.

The Directors namely Mr John Lee Yew Meng, Mr Ng Keok Chai and Mr Lee Tak Meng who joined the Board on 25 April 2019 had each completed the Listed Entity Director Programme conducted by the Singapore Institute of Directors, within one year from their respective date of appointment.

The Board had appointed Mr Alan Chin Yu as an Executive Director of the Company on 6 November 2020. Mr Alan Chin Yu is a former Director and Chief Financial Officer ("CFO") of the Company between June 2016 to December 2017 and thus has the relevant experience as a Director of a public listed company in Singapore as required and prescribed by the SGX-ST. He was also formerly a Deputy Managing Director of a public company listed on Bursa Malaysia Securities Berhad.

The Directors are briefed and/or updated regularly on accounting and regulatory changes as well as changing commercial risks, where necessary, including but not limited to: (a) amendments to the SGX-ST Listing Manual and Code of Corporate Governance, (b) changes to the Companies Act, Chapter 50 and (c) changes to the Financial Reporting Standards.

In addition, the Board encourages its members to attend relevant seminars and courses to keep themselves updated on developments and changes in financial and regulatory requirements, and the business environment and outlook, at the expense of the Company.

Role of the Board of Directors

The Board establishes the corporate strategies for the Group and sets strategic directions and objectives for the Management, supervises them and monitors the performance of these objectives to enhance and build long term sustainable value for shareholders.

The Board has delegated the day-to-day management of the Group to the Management headed by the Executive Director and Chief Executive Officer to facilitate effective management. The principal functions of the Board are to, *inter alia*:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables risk to be assessed and managed including safeguarding of the shareholders' interest and the Group's assets;
- review and monitor the performance of Management;
- set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;

CORPORATE GOVERNANCE REPORT

- consider sustainability issues, where applicable, in the formulation of its strategies;
- monitor and review the adequacy of the Group's internal control systems, risk management systems, compliance and financial reporting systems;
- approve the annual budgets, business plans, major funding proposals, financial restructuring, share issuance, investment and divestment proposals; and
- review the Group's financial performance.

The Board carries out its function directly or through various committees, which have been set up to support its role.

Each Director is expected, in the course of carrying out his duties, to act in good faith and consider at all times the interests of the Company.

The Board has established and delegated certain specific responsibilities to the following three (3) Board committees to support the role of the Board:

- Nominating Committee (“**NC**”);
- Remuneration Committee (“**RC**”); and
- Audit Committee (“**AC**”).

These committees' function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of these committees is also constantly monitored and reviewed by the Board. The roles and responsibilities of these committees are provided for in the latter sections of this report.

The Board accepts that while these Board committees have the authority to examine particular issues and will report to the Board their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

Matters Requiring the Board's Approval

The matters which require the Board's approval, include but are not limited to:

- statutory requirements such as approval of annual report and financial statements;
- other requirements such as interim and annual results announcements;
- financial objectives and financial performance of the Group;
- corporate strategic direction, strategies and action plans;
- the setting of policies and key business initiatives;
- major funding, material acquisition, investments, disposal and divestments and other material transactions; and
- the appointment and removal of the company secretaries.

The Board has established financial authorisation and proper approval processes pertaining to the operating and capital expenditures, including acquiring and disposing of assets and investments. This includes proper procedures, guidelines, handbooks, policies and forms that are set forth and established for guidance, monitoring and review.

CORPORATE GOVERNANCE REPORT

Meetings of Board and Board Committee

Following the amendment to Rule 705(2) of the Listing Manual of the SGX-ST that took effect from 7 February 2020, the Company have ceased the quarterly reporting of its financial results to the SGX-ST.

The Board holds at least two meetings each year to approve the half year and full year results announcement of the Group. The dates of all the Board and Board Committee meetings, as well as the Annual General Meeting (“AGM”), are scheduled in advance each year, in consultation with the Board. Ad-hoc meetings are convened as and when the circumstances require. In addition to these meetings, special corporate events and actions requiring the Board’s immediate approval were discussed over electronic mails and telephonic conference. The Board and Board Committees may also make decisions by way of circulating written resolutions. The Company’s Constitution allows the Board to hold teleconference and video-conference meetings.

The number of Board and Board Committee meetings held in FY2020 and the attendance of each Director where relevant are set out below. Directors who are not members of the Board Committees had attended the Board Committees meetings by invitation:

Name	Board of Directors		Nominating Committee		Remuneration Committee		Audit Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Lee Tak Meng ⁽¹⁾	3	2	2	1*	2	1*	3	2*
Mr John Lee Yow Meng	3	3	2	2*	2	2*	3	3*
Mr Siaw Lu Howe	3	3	2	2*	2	2*	3	3*
Mr Ng Keok Chai	3	3	2	2	2	2	3	3
Mr Tan Gim Kang, Arran	3	3	2	2	2	2	3	3
Mr Aris Muhammad Rizal	3	3	2	2	2	2	3	3
Mr Alan Chin Yu ⁽²⁾	–	–	–	–	–	–	–	–

* By invitation

Notes:

(1) Mr Lee Tak Meng resigned on 30 November 2020.

(2) Mr Alan Chin Yu was appointed on 6 November 2020.

Multiple Board Representations

All directors are required to declare their board representations. When a director has multiple board representation, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director’s number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that sufficient time and attention had been given by the Directors to the affairs of the Company during FY2020.

The Board is provided with Board papers in advance before each Board Meeting, giving the background, explanatory information and justification for each decision and mandate sought by the Management, including, where applicable, pertinent financials, to enable them to be properly informed of matters to be discussed and/or approved.

CORPORATE GOVERNANCE REPORT

All Directors have separate and independent access to the Management team of the Group at all times and can communicate directly with the Management, the officers, the Company Secretary and external auditors on all matters as and when they deem necessary. They have full access to the Company's records and information and may obtain independent legal and other professional advice if they deem necessary in the discharge of their responsibilities properly. Such expenses are to be borne by the Company.

The Company Secretary and/or representative(s) from the Secretary's office will attend the Board Meetings and Board Committees meetings and are responsible for recording the proceedings. In addition, the Company Secretary and/or her representative will assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the Company's Constitution and relevant rules and regulations, including requirements of the Singapore Companies Act and the SGX-ST, are complied with. The appointment and removal of the Company Secretary are decided by the Board as a whole.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Composition and Independent Directors

The Board comprises six (6) Directors, two (2) of whom are Executive Directors, one (1) is a Non-Executive Director and three (3) are Independent Non-Executive Directors.

The Company has complied with provisions 2.3 of the Code, as non-executive directors make up the majority of the Board.

Provision 2.2 of the Code recommends that Independent Directors make up a majority of the Board where the Chairman is not independent. In the case of the Company, the Chairman is not independent as he is a Non-Executive Director. In order to address the issue of independence given that the Chairman is not independent, the Independent Directors make up half of the Board. In addition, the Chairman and all members of the Board Committees are Independent Directors. The NC is of the view that the Independent Directors have been able to perform their duties effectively and the Board has been able to arrive at decisions in the best interests of the Company without disagreement, despite equality in the numbers of Independent and Non-Independent Directors and the Chairman being non-Independent. Taking this into account, the Board is of the view that the Company complies with Principle 2 of the Code as there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence or dominates the Board's decision making.

The composition of the Board takes into consideration the nature and scope of the Group's operations to ensure diversity and relevant skill sets for effective decision making. The Directors have varied qualifications and expertise in finance, accounting, business management, industry knowledge and strategic planning. Taking into account the scope and nature of the Group's operations as well as the diversified background and experience of the Directors, the NC and the Board are satisfied that the composition of the Board is of an appropriate size to facilitate effective decision making in the best interests of the Company. The NC is also of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective.

CORPORATE GOVERNANCE REPORT

The Board is aware that gender diversity on the Board is one of the recommendations under the Code to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

The Company has adopted the Code's definition of "Independent Director" and its guidance in respect of relationships which would deem a Director to be regarded as non-independent. An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of the Company. Half of the Board is made up of Independent Directors, which brings a strong and independent element to the Board. The functions of examining and assessment of the Board are delegated to the NC and its responsibilities and assessment are further discussed under the Nominating Committee heading, Principle 4 and Principle 5 as below.

As part of good corporate governance, the NC also reviews annually the independence of Independent Directors to ascertain the compliance to the Code's definition of independence. Conversely, the NC has the discretion to determine that a Director is non-independent even if the Director does not fall under the circumstances set forth.

In addition, the Non-Executive Directors are constructively reviewing and assisting the Board to facilitate and develop proposals on strategy and review the performance of the Management in meeting on agreed objectives and monitoring the reporting of performance. On the effectiveness, the Independent Directors have the full access and co-operation from the Company's Management and officers including on a regular basis, presentation and review of the financial performance. The Independent Directors have full discretion to have separate meetings and to invite any Directors or officers to the meetings and to meet without the presence of Management as and when warranted by certain circumstances.

During FY2020, the Independent Directors met at least once in the absence of key management personnel.

The Independent Directors namely Mr Ng Keok Chai, Mr Tan Gim Kang, Arran and Mr Aris Muhammad Rizal has each confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interest of the Company.

The NC assesses the independence of each Director in accordance with the guidance provided in the Code and is satisfied that Mr Ng Keok Chai, Mr Tan Gim Kang, Arran and Mr Aris Muhammad Rizal each meets the criterion of independent as set forth and each of them exercise independent business judgement in the best interests of the Company and its shareholders, when discharging his duties as a Director of the Company.

As at the date of this Report, none of the Independent Director has served on the Board for more than nine years.

The Board continually reviews its size and composition with a view towards the refreshing of the Board and to strike the appropriate balance and diversify of skills, experience, gender, age and knowledge of the Company to support the Group's businesses and strategy.

CORPORATE GOVERNANCE REPORT

Principle 3: Chairman and Chief Executive Officer (“CEO”)

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr. Siaw Lu Howe is the Non-Executive Chairman (“**Chairman**”) of the Company and he leads the Board and is responsible for the management of the Group. As Chairman, Mr Siaw encourages Board’s interaction with the Management, facilitates effective contribution of Non-Executive Directors, encourages constructive relationships among the Directors and ensures that the Group complies with the Code and maintains high standards of corporate governance. In addition, he also ensures that the Directors receive accurate, timely and clear information and there is effective communication with shareholders of the Company.

The CEO is responsible for the overall management, operations, strategic planning and business expansion of the Group. He oversees the execution of the Group’s corporate and business strategies and the day-to-day operations of the Group. His performance and appointment to the Board will be reviewed periodically by the NC and his remuneration package is reviewed by the RC.

Mr Lee Tak Meng was the CEO of the Company prior to his resignation as an Executive Director and CEO of the Company on 30 November 2020. Following his resignation, the Company has yet to appoint a new CEO and Mr Alan Chin Yu, an Executive Director of the Company, has been assigned to oversee the Group’s overall operation without taking on the formal designation of CEO.

The Board is of the view that there is a clear division of responsibilities between the Chairman and the CEO in order to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making.

Mr. Ng Keok Chai is the Lead Independent Director of the Company. The Lead Independent Director is available to shareholders when they have concerns in which contact through the normal channels of the Non-Executive Chairman and the CEO has failed to resolve or for which such contact is inappropriate.

Led by the Lead Independent Director, the Independent Directors of the Company would meet when necessary, without the presence of the other Executive Directors.

All the Board Committees comprises of and are chaired by an Independent Director and the majority of the Board consists of Non-Executive Directors.

CORPORATE GOVERNANCE REPORT

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

As at the date of this report, the NC of the Company comprises three (3) members, namely:

- Mr Tan Gim Kang, Arran (Chairman);
- Mr Ng Keok Chai; and
- Mr Aris Muhammad Rizal.

All members of the NC are Independent Directors and none of the NC members are associated with any substantial shareholders of the Company. The members meet at least once a year.

The Board is of the view that the current NC size and composition are appropriate and effective to provide the necessary objective inputs to the Board on appointment and re-appointment of Directors and other relevant matters to the Board. The Board will constantly examine the NC composition from time to time.

The NC has specific written Terms of Reference setting out their duties and responsibilities. The NC's main principal functions are as follows:

- review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of Directors;
- review and recommend the re-nomination of Directors in accordance with the Constitution at each AGM and having regard to the Director's contribution and performance;
- determine annually whether or not a Director of the Company is independent;
- review of structure, composition and size of the Board;
- decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board; and
- assess the performance of the Board as a whole and contribution of each Director to the effectiveness of the Board.
- reviewing and making recommendation to the Board on relevant matters relating to the succession plans of the Board in particular the Chairman, the CEO and key management personnel; and
- reviewing and making recommendations to the Board on the training and professional development programme for the Board and its directors.

The process for the selection and appointment of new Board members is as follows:

- the NC evaluates the balance of skills, knowledge and experience of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- the NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board;

CORPORATE GOVERNANCE REPORT

- the NC meets with short-listed candidate(s) to assess their suitability and to ensure that the candidate(s) are aware of the expectations; and
- the NC makes recommendations to the Board for approval.

The NC establishes the process for assessing the effectiveness of the Board and for assessing the contribution by each individual Director. It also makes recommendations to the Board on re-appointments of Directors based on their contributions and performance, a review of the range of expertise, skills and attributes of current Board members, and the needs of the Board.

The Board has placed each individual Director such that he is able to devote sufficient time and attention to discharge his/her duties and responsibilities as directors of the Company, bearing in mind his/her other commitments. In considering the nomination of directors for re-election and re-appointment, the NC will take into account, amongst others, the competing time commitments faced by the directors with multiple Board memberships.

In FY2020, only one (1) of the Directors hold multiple directorships in other listed companies. The Directors and Board Committee members had attended all Board and Board Committees meetings respectively. The NC has reviewed and is satisfied that sufficient time and attention had been given by all the Directors to the affairs of the Group. The NC is of the opinion that there is presently no need to implement internal guidelines to address their competing time commitments and that the current Board size is adequate for the effective functioning of the Board.

Pursuant to Rule 720(5) of the Listing Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to the Company's Constitution, one-third of the Directors are required to retire by rotation and submit themselves for re-election at each AGM of the Company. All the Directors shall retire by rotation at least once every three (3) years and such retiring Director shall be eligible for re-election.

On the nomination of re-election of retiring Directors, the NC would assess the performance and contribution of the Director and subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

The NC has reviewed and recommended to the Board that Mr Tan Gim Kang Arran, Mr Aris Muhammad Rizal and Mr Alan Chin Yu be nominated for re-election at the forthcoming AGM in accordance with the Company's Constitution. Mr Tan Gim Kang Arran and Mr Aris Muhammad Rizal are retiring pursuant to Article 110 of the Company's Constitution whereas Mr Alan Chin Yu is retiring pursuant to Article 120 of the Company's Constitution. All three nominated Directors have offered themselves for re-election at the forthcoming AGM (the "**retiring Directors**"). The Board has accepted the NC's recommendations and agreed that the resolutions on the re-election of the retiring Directors be tabled for shareholders' approval at the forthcoming AGM.

Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections and details of the retiring Directors including the information required under Appendix 7F of the Listing Rules are disclosed in this Annual Report.

Key information regarding the Directors are set out in the section headed "Board of Directors" of this Annual Report.

There is no alternate director appointed on the Board.

CORPORATE GOVERNANCE REPORT

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC has adopted a formal process to assess the effectiveness of the Board as a whole and for assessing the contribution by each individual Director. This evaluation is to be carried out at least once a year. When a Director has multiple board representations, the Director would need to ensure that sufficient time and attention is given to the affairs of each company. Nevertheless, the NC will also review and assess whether the Director is able to and has been adequately carrying out the duties as a Director of the Company. Upon assessment, the NC will make recommendations for improvement, as and when required.

The Chairman of the Board will act on the results of the performance evaluation and recommendation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of the Directors, in consultation with the NC.

For FY2020, the Directors were requested to complete an assessment checklist/form which focuses on the criterion on effectiveness and efficiency on the Board's access to information, evaluation of the size and composition of the Board, the Board's processes, procedures and compliance, accountability, Board's performance in connection to discharging its responsibilities and duties and Directors' standards of conduct. In addition, the Board also considered the qualitative measures such as the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board.

The individual assessment would include and aim to assess efficiency and effectiveness of each Director's continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties.

Upon reviewing the assessment, the NC is of the opinion that the Board and all its members have sufficiently contributed to the Board and Group during the year.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director.

No external facilitator was used in the assessment/evaluation process.

Furthermore, the Board will continuously review and assess the current size and composition of the Board on the adequate ability to meet the Group's existing scope of needs and the nature of operation for effective decision making. From time to time, the review of the appropriateness will be taking into consideration the changes in the nature and scope of the Group's operations as well as diversified background, experience of the Directors and regulatory environment.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Company had established a RC which comprises three (3) Directors, all of whom are Independent Directors.

The members of the RC are:

- Mr Ng Keok Chai (Chairman);
- Mr Tan Gim Kang, Arran; and
- Mr Aris Muhammad Rizal.

The Board is of the view that the current RC size and composition are appropriate and effective to provide the necessary objective inputs to the Board on reviewing and recommending to the Board a remuneration framework for the Board, Management and key employees as well as other compensation related matters to the Board. The Board will examine the RC composition from time to time.

The RC is governed by the RC's Terms of Reference which describes the duties and responsibilities of the RC. The duties and functions of the RC are as follows:

- recommend to the Board a framework of remuneration for the Board, Non-Executive Directors, Executive Directors, Management and key employees of the Company;
- recommend specific remuneration packages for each Director and the key management personnel of the Group;
- review of service contracts and/or employee contracts, where applicable;
- oversee and review the administration of the Blumont Employee Share Option Scheme 2013 ("**Blumont ESOS 2013**") and Blumont Performance Share Plan ("**Blumont PSP**") as defined in the Blumont Employee Share Option Scheme and Blumont Performance Share Plan, respectively through Compensation Committee (comprise of Mr. Ng Keok Chai, Mr. Tan Gim Kang, Arran and Mr. Aris Muhammad Rizal);
- recommend payment of fees to Non-Executive Directors based on the effort, time spent and responsibilities of the individual Director;
- review the Company's obligations arising in the event of termination of Executive Directors, Management and key employees' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and
- other acts as may be required by the SGX-ST and the Code from time to time.

The RC covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind, compensation/termination and gratuities. The members of the RC shall not be involved in the discussion and decision of their own remuneration. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration package.

CORPORATE GOVERNANCE REPORT

Termination clauses are included in the service agreements for Directors and Key Management Personnel. The RC has reviewed and recommended to the Board and the Board concurred that the termination clauses are fair and reasonable, and are not overly generous. There was no termination of any Directors and Key Management Personnel during FY2020.

The RC may obtain independent professional advice if it deems necessary in the discharge of its responsibilities properly. Such expenses are to be borne by the Company.

The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2020.

The Non-Executive Directors are paid a fixed director's fee for their efforts, responsibilities, time spent and contribution to the Board. Directors' fees are recommended by the Board for approval by shareholders at the Company's AGMs.

The RC has proposed and recommended that the directors' fees of S\$100,000 for the financial year ending 31 December 2021, payable quarterly in arrears. The Board concurred with the RC's proposal and recommended that the said directors' fees be tabled for shareholders' approval at the forthcoming AGM.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The review of the remuneration packages takes into consideration the long-term interests of the Group, the performance of the Group, overall assessment of the Board, the individual assessment of each Director, level of contribution to the Company and Board, taking into account factors such as, efforts, time spent, responsibilities and duties of the Directors, carefully evaluating the costs and benefits of each incentive before recommendation to the Board for review and approval. Nevertheless, the RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

During the year, the RC reviewed the compensation and remuneration packages such that the Directors and the Management were sufficiently compensated. In addition, the RC provided appropriate compensation packages at market rates for the Board and the Management of the Company to reward good performance, attract and motivate the Directors and the Management.

The Company does not use contractual provisions to allow the Company to claim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event such breach of fiduciary duties.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company recognises that a clear disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid/payable to the Directors and the Management personnel.

CORPORATE GOVERNANCE REPORT

The Company's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise.

All Executive Directors do not receive Directors' fees. The remuneration package of each of the Executive Director comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. The performance-related component of the remuneration package is designed to align the interests of the Executive Directors with those of Shareholders and link rewards to the Group's financial performance. Service agreements for the Executive Director are for a fixed appointment period and do not contain onerous removal clauses. No Directors is involved in deciding his own remuneration. The RC reviews the fairness and reasonableness of the termination clauses contain in the service agreements of the Executive Directors to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

There were no termination or retirement benefits and post-employment benefits that are granted to the Executive Directors in FY2020.

Mr John Lee Yow Meng, the Executive Director and the CFO of the Company and Mr Alan Chin Yu, the Executive Director of the Company each has a service agreement with the Company. The service agreement can be terminated by either party giving not less than one (1) month notice and both parties have the option to pay salary in lieu of any required notice period.

The Independent Directors and the Non-Executive Directors do not have any service agreement with the Company. They are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities on the Board and Board Committees. They do not receive any other form of remuneration from the Company. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

The Company's share incentive award plans, Blumont ESOS 2013 and Blumont PSP are as described below:

Blumont ESOS 2013

At the Extraordinary General Meeting held on 22 April 2013, the shareholders of the Company approved the Blumont ESOS 2013, for granting non-transferable options to employees (including Executive Directors) and Non-Executive Directors of the Company.

The Blumont ESOS 2013 is administered by the Compensation Committee which is overseen by the Remuneration Committee.

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the Blumont ESOS 2013, options may be exercised after 1st anniversary of the date of grant and before the 5th anniversary of such date of grant for non-executive directors and the 10th anniversary of such date of grant for group employees.

CORPORATE GOVERNANCE REPORT

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

- (a) fixed at the market price equal to the average of the last dealt prices for the share on the SGX-ST for the three (3) consecutive trading days immediately preceding the date of grant of that option; or
- (b) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the Market Price.

There was no share options granted under the Blumont ESOS 2013 in FY2020.

Blumont PSP

At the Extraordinary General Meeting held on 22 April 2013, the shareholders of the Company approved the Blumont PSP, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

The Blumont PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee.

The Blumont PSP shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

A participants' award under the Blumont PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Blumont PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the Blumont PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

There was no performance shares granted under the Blumont PSP in FY2020.

CORPORATE GOVERNANCE REPORT

A breakdown, showing the level and mix of each individual Director's remuneration for the financial year ended 31 December 2020 for the Group is as follows:

Name	Director Fees (S\$)	Salary & Allowance (S\$)	AWS (S\$)	Bonus (S\$)	Compensation (S\$)	Total (S\$)
Alan Chin Yu	–	13,029	–	–	–	13,029
John Lee Yow Meng	–	92,541	–	–	–	92,541
Siaw Lu Howe	20,000	–	–	–	–	20,000
Ng Keok Chai	35,000	–	–	–	–	35,000
Tan Gim Kang, Arran	25,000	–	–	–	–	25,000
Aris Muhammad Rizal	20,000	–	–	–	–	20,000
Lee Tak Meng ⁽¹⁾	–	214,615	–	–	–	214,615

(1) Remuneration of Lee Tak Meng was pro-rated up to his date of resignation on 30 November 2020.

As at the date of this Report, the Company has only one (1) key management personnel (who is not a Director and/or CEO of the Company) and the remuneration of the key management personnel in FY2020 is as follows:

Name of Key Management	Salary & Allowance (S\$)	AWS (S\$)	Bonus (S\$)	Compensation (S\$)	Total (S\$)
Yusman SH	214,733	11,485	15,736	–	241,954

There is no employee of the Group who is a substantial shareholder of the Company, or an immediate family member of a Director or the CEO or a substantial shareholder whose remuneration exceeds S\$100,000 for the FY2020.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is committed to maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board with the support of the AC, oversees the Management in the design, implementation and monitoring of the risk management and internal control systems including reviewing the adequacy and effectiveness of the Company's risk management and internal control systems.

The internal auditor and the external auditor conduct reviews and audits that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. At least annually, the Board, with the assistance from the AC, will review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology risks.

CORPORATE GOVERNANCE REPORT

At present, the Board relies on the internal auditor, the external auditors' reports and management letter prepared by the external auditor to highlight any material non-compliance or weaknesses in internal controls. There were no major weaknesses in internal controls highlighted by the Group's external auditor or the internal auditor for the attention of the AC for FY2020.

Based on the internal controls established and maintained by the Group, the work performed by the internal and external auditors, and reviews performed by Management and the AC, the Board with the concurrence of the AC, are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at FY2020. This is in turn supported by assurance from the Executive Director and CFO that:

- (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and are in accordance with the relevant accounting standards; and
- (b) they have evaluated the adequacy and effectiveness of the Group's risk management and internal controls and have discussed with the Company's external and internal auditors of their reporting points and noted that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process and report financial data. Accordingly, the Group's risk management systems and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective.

The Board notes that all internal control systems contain inherent limitations and no internal control system could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities. However, other procedures, policies, guidelines and compliance regulations, as discussed in the Annual Report, are in place to mitigate any possible and/or suspected irregularities. Nothing has come to the attention of the AC, Board and/or the Management that there is any deficiency in the internal control systems that resulted in significant loss and/or material financial misstatements.

The Group is aware that each business transaction carries risk whether internally and/or externally in the form of environmental, operational, financial and/or Management decision making risk. The operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Other risks include legal risk and strategic risk (the risk of loss arising from poor strategic business decisions). The Group's financial risk management and policies are further outlined under heading "Financial Risk Management" in the "Financial Statement" section of this Annual Report.

The Group regularly reviews and improves its business and operations activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board.

CORPORATE GOVERNANCE REPORT

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

As at the date of this report, the AC of the Company comprises three (3) members, namely:

- Mr Ng Keok Chai (Chairman);
- Mr Tan Gim Kang, Arran; and
- Mr Aris Muhammad Rizal.

All members of the AC are Independent Directors and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members was previously partners or directors of the Company's external audit firm or hold any financial interest in the external audit firm.

The members meet at least two (2) times in a year.

The AC has specific written Terms of Reference setting out their duties and responsibilities. The AC's main principal functions are as follows:

- review the audit plan and reports of the Company's internal and external auditors and the assistance given by the Company's Management to the internal and external auditors;
- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- review the effectiveness of the Group's internal control systems, including financial, operational, compliance, information technology controls and risk management;
- meet with the internal and external auditors, other committees, and/or the Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- review the scope and results of the external audit, cost effectiveness and the independence and objectivity of the external auditors;
- review the effectiveness of the Group's internal audit function;
- review the nature and extent of non-audit services provided by the external auditors;
- recommend to the Board the appointment, removal, remuneration and terms of engagement of the external auditors;
- report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate; and
- review interested person transactions, if any, in accordance with the requirements of the SGX-ST's Listing Manual.
- Undertake generally such other functions and duties as may be required by law or the Listing Rules.

CORPORATE GOVERNANCE REPORT

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation of the Management, officers, Company Secretary, Directors and relevant external regulator and/or professional parties and has full discretion to invite any Director or officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC also reviews any arrangement by which staff of the Group, or any other officers, may, in confidence, raise concerns about possible and/or suspected fraud, irregularities, corruption, dishonest practices and/or improprieties in matters of financial reporting or other similar matters. The AC's objective is to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action and improvements, if necessary and required.

The Company has put in place the Whistle-Blowing Policy which provide the staff with well-defined and accessible channels within the Group to counter and mitigate any possible and/or suspected fraud. Proper written procedures, policies and guideline are in place for making such reports in good faith, with confidence and will be treated fairly and be protected from reprimand. As at the date of this report and to the best of their knowledge and belief, nothing has come to the attention of the AC that may require any follow up and/or action plan.

PKF-CAP LLP is the external auditors of the Group. The Company's subsidiaries in Singapore are audited by PKF-CAP LLP whereas the overseas subsidiaries are audited by the member firms of PKF-CAP LLP.

The AC having regard the adequacy of the resources and experience of PKF-CAP LLP and the audit engagement director assigned to the audit, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, is of the opinion that PKF-CAP LLP meets the auditing obligations of the Company and its significant subsidiaries. The Group has complied with Rules 712 and 715 of the Listing Rules in relation to the appointment of external auditors.

The AC assesses the independence of the external auditor annually. The aggregate amount of fees paid/payable to the external auditor for the financial year ended 31 December 2020 is S\$72,593. There is no non-audit services rendered by the external auditors to the Group during FY2020.

Having reviewed, amongst others, the scope and quality of the audit and the independence of the external auditor, the AC had recommended and the Board approved the nomination for re-appointment of PKF-CAP LLP as the external auditor of the Company at the forthcoming AGM.

The AC meets with the internal and external auditors at least once annually to discuss audit findings and recommendations, without the presence of the Management. For FY2020, the AC had met with the internal and external auditors once without the presence of the Management.

Throughout FY2020, the Board has assessed and reviewed, together with the assistance of the NC, to ensure that the members of the AC are appropriately qualified to discharge their responsibilities. The Board is opined that that adequate and reasonable assistance and support has been properly rendered by the Directors, Management and officers to the AC and that the AC has effectively and efficiently contributed to the Board and the Group. During the financial year 2020, the AC held three (3) meetings to review and undertake the scope of work as set out above. The external auditor provides regular updates and briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

CORPORATE GOVERNANCE REPORT

Internal Audit

The Company has engaged One e-Risk Services Pte Ltd (“**One e-Risk Services**”) as the internal auditor who reports directly to the AC and administratively to the CFO. The AC approved the engagement, evaluation, and compensation of the internal auditor. The role of the internal auditor is to provide independent assurance to the AC that the Group maintains adequate and effective risk management and internal control systems.

The AC reviews and approves the internal audit plan to ensure adequacy of the scope of audit. During the FY2020, One e-Risk Services reviewed key internal controls in selected areas as advised by the AC and reported its findings together with recommendations on areas for improvement to the AC for review and approval, so as to improve the development of better and more effective internal controls. The AC after having reviewed the internal audit reports and the remedial actions taken by the Management, is satisfied that the Group’s internal audit function is independent, effective and adequately resourced. The AC is also satisfied that the internal auditor meets the standards set by internationally recognised professional bodies, including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company facilitates the exercise of ownership rights by all shareholders. In particular, the shareholders of the Company are sufficiently informed of changes in the Group’s business and development that are price sensitive and would be likely to materially affect the price or value of the Company’s shares and those information are communicated to the shareholders on a timely basis via the SGXNet.

The Company also ensures that the shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders.

Shareholders are given the opportunity to opine their views and seek clarification on questions regarding the Group. All Directors, in particular the Chairman of the Board, the respective Chairman of the AC, NC and RC, will be present and available to address shareholders’ queries at the general meetings. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor’s report.

Shareholders have the opportunity to participate effectively and to vote in AGMs. They are allowed to vote in person or by appointed proxy. The Constitution of the Company allow shareholders of the Company to appoint not more than two (2) proxies to attend and vote on their behalf at the AGMs. The Company does not implement voting in absentia by email, mail or fax due to authentication and other security related concerns.

During general meetings, the resolutions on separate issues are disclosed separately and not bundled together unless the resolutions are interdependent and linked so as to form one significant proposal and clear explanation and reasons are to be provided together with its material implications.

CORPORATE GOVERNANCE REPORT

Shareholders would be informed of the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. An announcement which includes the results of voting showing the number of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.

Minutes of general meetings recording the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management. The Company does not deem it necessary for the minutes to be published on its website because shareholders who are interested to receive a copy of these minutes can easily make a request and such minutes will be made available to interested shareholders as soon as practicable upon receipt of their requests.

For the FY2020, in accordance with the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”), the Company will apply and adopt the alternative arrangements for convening, holding and conducting the AGM, as set out in the second column of the First Schedule of the Order. Minutes of the AGM to be held on 27 April 2021 will be published on the SGXNET and the Company’s corporate website within one month after the AGM date.

The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the Company’s shares will depend on the Group’s earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may, in their absolute discretion, deem appropriate. The Board is not recommending any dividend for FY2020, as the Board deemed more appropriate to retain the cash for the Group’s working capital purposes, after taken into account various factors including:

- the level of the available cash;
- the projected levels of capital expenditure and other investment plans; and
- the accumulated losses of the Company for the past years.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board is mindful of the obligation to provide regular, effective and fair communication with shareholders. In line with the continuous obligations of the Company pursuant to the Listing Rules, the Board’s policy is that all shareholders should be equally informed of all major developments and the Company will make disclosure publicly to all shareholders as soon as practicable.

The Board provides shareholders with an assessment of the Company’s performance, position and prospects via half-yearly and annual results announcements and other ad-hoc announcements as required by the SGX. The Company does not practise selective disclosure. Price sensitive information is first publicly released through the SGXNet. In addition, The Company has taken steps to solicit and understand the views of the shareholders through the Company website.

Results and annual reports are announced and/or issued within the mandatory period. All the shareholders of the Company receive the annual report and the notice of the general meetings.

CORPORATE GOVERNANCE REPORT

Subject to the prevailing laws, the notices of AGM and EGM are also advertised in a national newspaper. All shareholders of the Company will receive the Annual report with an accompanying notice of AGM by post. The notice of AGM is also published in the newspaper within the mandatory period, the AGM of which is to be held within four months after the end of the financial year.

For FY2020, the Company will be relying on the COVID-19 (Temporary measures) (Alternative Arrangements for Meetings of Companies, variable Capital Companies, Business Trust, Unit Trusts and Debenture Holders) Order 2020. The Annual Report, notice of AGM and proxy form (“**AGM documents**”) will be available to shareholders through electronic means via publication on the company’s website and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the AGM documents will not be sent to shareholders.

The shareholders can access financial information, corporation announcements, press releases, annual reports and profile of the Group on the Company’s corporate website.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Board considers the Company’s obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company’s long-term sustainability. Stakeholders are parties who may be affected by the Company’s activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, landlords, investors, media, government institutions and the communities. In addition, the Group also issue sustainability report to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders.

OTHER GOVERNANCE PRACTICES

Material Contracts

There is no material contract of the Company and its subsidiaries, including loans, involving the interests of any Director or the controlling shareholders either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year, save as for those as announced via SGXNet and as outlined in the Annual Report under headings “Borrowings” in the “Financial Statements” section of this Annual Report.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and these interested persons transactions are conducted on an arm’s length basis and are not prejudicial to the interests of the shareholders.

The Board and the AC will review all interested person transactions to be entered into to ensure that the relevant rules under Chapter 9 of the Listing Manual are complied with.

CORPORATE GOVERNANCE REPORT

Except those as announced via SGXNet and as outlined in the Annual Report under headings “Other Receivables”, “Trade and Other Payables” and “Related Party Transactions”, there is no other interested person transaction for FY2020.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Mr Siaw Lu Howe	Director of the Company	Nil	Nil
Ultimate Horizon Pte Ltd	Associate of Mr Siaw Lu Howe		

Dealing in Securities

In line with Blumont's Best Practices Guide in Dealing in Securities (the “**Best Practices Guide**”) adopted and reviewed from time to time, the Company has in place a code of conduct on share dealings by Officers. This code sets out the statutory restrictions on insider trading as well as the recommendations of the Best Practices Guide on securities transactions. This has been made known to the Officers, including the Directors, staff, any relevant body corporate and officers of the Company and the Group, not to deal during the period commencing one (1) month before the announcement of the Company's half-yearly results and one (1) month before financial year, as the case may be, and ending on the date of the announcement of the relevant results.

The officers have been informed that to deal in the Company's securities, as well as securities of other listed companies, when they are in possession of information that is not generally available but, if it were, would be likely materially to affect the price of those securities in relation to those securities and relates to any transaction (actual or expected) involving both those bodies corporate or involving one of them and securities of the other are prohibited and is a subject to the law. The Company, while having provided the window periods for dealing in the Company's securities, has its own internal compliance code in providing guidance to its officers with regards to dealing in the Company's securities including reminders that the law on insider trading is applicable at all times. In addition, an officer should also not deal in the Company's securities on short-term considerations.

In the opinion of the AC, to the best of their knowledge and belief, the Company complies with Blumont's Best Practices Guide.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1 TO THE LISTING MANUAL OF THE SGX-ST

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST (“**Listing Rules**”), the information as set out in Appendix 7.4.1 of the Listing Rules relating to Mr Tan Gim Kang and Mr Aris Muhammad Rizal and Mr Alan Chin Yu, being the Directors who are retiring in accordance with the company’s Constitution at the forthcoming AGM, are set out below:

	Mr Tan Gim Kang, Arran (“Mr Tan”)	Mr Aris Muhammad Rizal (“Mr Aris”)	Mr Alan Chin Yu (“Mr Yu”)
Date of Appointment	30 May 2014	10 October 2014	6 November 2020
Date of last re-appointment	24 April 2019	26 April 2018	Not applicable
Age	59	37	63
Country of principal residence	Singapore	Indonesia	Australia
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Tan as the Independent Director of the Company was recommended by the Nominating Committee and accepted by the Board, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibilities.	The re-election of Mr Aris as the Independent Director of the Company was recommended by the Nominating Committee and accepted by the Board, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibilities.	Mr Yu was appointed on Board on 6 November 2020. Mr Yu’s re-election as an Executive Director was recommended by the Nominating Committee and accepted by the Board, after taking into consideration his qualification, expertise, past experience and contribution since he was appointed as a Director of the Company.

CORPORATE GOVERNANCE REPORT

Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Executive. Responsible for the overall management and monitoring of the performance of all subsidiaries of Blumont Group Ltd.
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)	Independent Non-Executive Director, Chairman of Nominating Committee and member of Audit and Remuneration Committees	Independent Non-Executive Director and member of Audit, Nominating and Remuneration Committees	Executive Director
Professional qualifications	Bachelor of Engineering (Civil)	Bachelor of Engineering (Geological)	Bachelor of Commerce, Double Major Degree in Accounting and Economics (UWA) Fellow member of The Institute of Chartered Accountants in Australia and New Zealand

CORPORATE GOVERNANCE REPORT

<p>Working experience and occupation(s) during the past 10 years</p>	<p>Period: April 2010 to December 2018 Project Manager, Surbana International Consultants Pte Ltd</p> <p>Period: January 2019 to present Partner, Agenda Management Services</p>	<p>Period: February 2011 to present Operational Manager, PT. Denichi Amina Selaras</p> <p>Period: June 2009 to February 2011 Senior Geologist, PT. Mineral Nusantara Pratama</p>	<p>Period: 6 November 2020 to present Executive Director, Blumont Group Ltd.</p> <p>Period: 2001 to present Principal, Alan Yu & Co Chartered Accountant</p> <p>Period: 2007 to present Nominee Director, Tallahesse Pty Ltd</p> <p>Period: 2007 to present Nominee Director, JC Milton & Co. Pty Ltd</p> <p>Period: 2010 to present Nominee Director, Worldwide Venture Pty Ltd</p> <p>Period: 2013 to present Nominee Director, Emerald Equities Pty Ltd</p> <p>Period: 2004 to April 2020 Non-Executive Director, Equity Finance & Mortgages Pty Ltd</p> <p>Period: 2006 to September 2020 Non-Executive Director, Equity Smartplan Financial Services Pty Ltd</p> <p>Period: 2013 to October 2019 Executive Director, Maven Equity Pty Ltd</p> <p>Period: May 2017 to December 2017 Blumont Group Ltd: Executive Director and Chief Financial Officer (May 2017 to December 2017)</p> <p>Non-Executive Director (June 2016 to May 2017)</p>
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CORPORATE GOVERNANCE REPORT

Shareholding interest in the listed issuer and its subsidiaries	15,000,000 ordinary shares in the Company	10,000,000 ordinary shares in the Company	10,000,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interests (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#			
* "Principal Commitments" has the same meaning as defined in the Code.			
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)			
Past (for the last 5 years)	Nil	Nil	<u>Past Directorships:</u> 1. Blumont Group Ltd. 2. Equity Finance & Mortgages Pty Ltd 3. Equity Smartplan Financial Services Pty Ltd 4. Perth QG Pty Ltd 5. Maven Equity Pty Ltd
Present	Nil	Nil	<u>Present Directorships:</u> 1. Emerald Equities Pty Ltd 2. Worldwide Venture Pty Ltd 3. Tallahassee Pty Ltd 4. JC Milton & Co. Pty Ltd

CORPORATE GOVERNANCE REPORT

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

CORPORATE GOVERNANCE REPORT

(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

CORPORATE GOVERNANCE REPORT

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

CORPORATE GOVERNANCE REPORT

<p>(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?</p>	No	No	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	No	No	No

CORPORATE GOVERNANCE REPORT

<p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>			
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No	No
<p>Disclosure applicable to the appointment of Director only</p>			
<p>Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Yes. Mr Tan is currently the Independent Non-Executive Director of the Company.</p>	<p>Yes. Mr Aris is currently the Independent Non-Executive Director of the Company.</p>	<p>Yes. Mr Yu was a former Director and CFO of Blumont Group Ltd. He was also formerly a Deputy Managing Director of a public company listed on Bursa Malaysia Securities Berhad.</p>

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The directors are pleased to present their statement to the members together with audited consolidated financial statements of Blumont Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2020 and the statement of financial position of the Company for the financial year ended 31 December 2020.

OPINION OF THE DIRECTORS

In the opinion of the directors:

- (i) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Siaw Lu Howe	Non-Executive Chairman
John Lee Yow Meng	Executive Director and Chief Financial Officer
Alan Chin Yu	Executive Director (Appointed on 6 November 2020)
Ng Keok Chai	Lead Independent Director
Tan Gim Kang, Arran	Independent Non-Executive Director
Aris Muhammad Rizal	Independent Non-Executive Director

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed under "Share Options" in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

	Holdings registered in the name of director			Holdings in which a director is deemed to have an interest		
	At 1.1.2020/ date of appointment	At 31.12.2020	At 21.1.2021	At 1.1.2020/ date of appointment	At 31.12.2020	At 21.1.2021
The Company						
<i>Number of ordinary shares</i>						
Tan Gim Kang, Arran	15,000,000	15,000,000	15,000,000	–	–	–
Aris Muhammad Rizal	10,000,000	10,000,000	10,000,000	–	–	–
John Lee Yow Meng	15,000,000	15,000,000	15,000,000	–	–	–
Alan Chin Yu	10,000,000	10,000,000	10,000,000	–	–	–
Siaw Lu Howe	–	–	–	22,131,184,204	8,131,184,204	8,131,184,204

Siaw Lu Howe, who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in the whole of the issued share capital of the Company's wholly owned subsidiaries.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

SHARE OPTIONS

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

At the Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont ESOS 2013, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The Blumont ESOS 2013 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

SHARE OPTIONS (cont'd)

Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013") (cont'd)

Under the Blumont ESOS 2013, options may be exercised after the 1st anniversary of the date of grant and before the 5th anniversary of such date of grant for non-executive directors and the 10th anniversary of such date of grant for group employees.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

- (i) fixed at the market price equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or
- (ii) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the market price.

No share options under the Blumont ESOS 2013 have been granted during and as at the financial years ended 31 December 2020 and 2019.

Except as disclosed above,

- there were no share options granted by the Company or its subsidiaries during the financial year;
- there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries during the financial year; and
- there were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Blumont Performance Share Plan (the "Blumont PSP")

At the Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont PSP, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

The Blumont PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont PSP shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

SHARE OPTIONS (cont'd)

Blumont Performance Share Plan (the "Blumont PSP") (cont'd)

A participants' award under the Blumont PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Blumont PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the Blumont PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

No incentive share awards under the Blumont PSP have been granted during and as at the financial year ended 31 December 2020 and 2019.

AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the date of this statement are as follows:

Ng Keok Chai (Chairman)
 Tan Gim Kang, Arran
 Aris Muhammad Rizal

The AC has performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- (i) reviewed the audit plan of the Company's independent auditors and, if any, their report on any recommendations on internal accounting controls arising from the statutory audit;
- (ii) reviewed the assistance given by the Company's management to the independent auditors;
- (iii) reviewed the quarterly and annual statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2020 before their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group;
- (iv) reviewed the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's performance;
- (v) reviewed the effectiveness of the Group's material internal control systems, including financial, operational, compliance and information technology controls and risk management;
- (vi) met with the independent auditors, other committees, and/or the management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

AUDIT COMMITTEE (cont'd)

- (vii) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- (viii) reviewed the scope and results of the external audit, cost effectiveness and independence and objectivity of the independent auditors;
- (ix) reviewed the nature and extent of non-audit services provided by the independent auditors;
- (x) recommended to the Board of Directors the independent auditors to be nominated, approved the compensation and terms of engagement of the auditors;
- (xi) reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- (xii) reviewed interested person transactions, if any, in accordance with the requirements of the SGX-ST's Listing Manual.

The AC, having reviewed all non-audit services provided by the independent auditors to the Group is satisfied that the nature and extent of such services would not affect the independence and objectivity of the independent auditors. The AC has also conducted a review of interested person transactions.

The AC convened three meetings during the year. The AC has also met with the independent auditors, without the presence of the Company's management, at least once a year. The attendance of the meetings are disclosed in the Corporate Governance Report in the Company's Annual Report.

It is the opinion of the Board of Directors with the concurrence of the AC that the system of internal controls, which addresses the Group's financial, operational, compliance and information technology risks, maintained by the Group is in place and adequate throughout the financial year and up to the date of this report.

The Company confirms that Rules 712 and 715 of the SGX-ST's Listing Manual have been complied with.

Further details regarding the AC are disclosed in the Corporate Governance Report in the Company's Annual Report.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

AUDITOR

The auditor, PKF-CAP LLP, has expressed their willingness to accept re-appointment.

On behalf of the board of directors:

.....
John Lee Yow Meng
Executive Director and Chief Financial Officer

.....
Ng Keok Chai
Lead Independent Non-Executive Director

Singapore
31 March 2021



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Blumont Group Ltd. (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of development property	
<p><u>Risk identified</u></p> <p>We refer to Notes 3(l), 4(a)(iv) and 16 to the financial statements.</p> <p>The Group's development property amounted to S\$4,578,950 as at 31 December 2020.</p> <p>The development property is carried at cost less accumulated impairment losses. Management estimates the recoverable amount based on an assessment which is inherently subject to significant judgment and estimates.</p>	<p><u>Our response</u></p> <p>Our procedures are designed to challenge the appropriateness of the valuation of the development property. These procedures included, amongst others:</p> <ul style="list-style-type: none"> • discussed with management the basis of their estimated recoverable amount and reviewing the stage of development of the development property; • reviewed the latest available valuation report on the development property and compared it to the carrying amount; • assessed the competency, capability and objectivity of the independent valuer and compared the valuer's underlying assumptions on estimated selling prices to market comparables; and • considered the adequacy of the Group's disclosure concerning the uncertainty of the carrying value of the development property. <p><u>Our findings</u></p> <p>We are satisfied with the qualifications of the professional valuer and the valuation methodology adopted by the valuer was found to be appropriate and comparable to the methods used for similar properties. We have considered that the Group's disclosures for the development property to be appropriate.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements for the financial year ended 31 December 2019 were audited by another auditor whose report dated 2 April 2020 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Eng Kian.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group	
		2020 S\$	2019 S\$
Revenue	5	3,499,251	4,298,414
Other gains/(losses) – net	6	331,536	(20,267)
Expenses			
– Raw materials and consumables used	15	(54,884)	(75,309)
– Employee benefits	7	(1,943,407)	(1,679,368)
– Impairment losses on financial assets	8	(461)	7,585
– Others	8	(1,523,539)	(1,471,008)
– Finance costs	9	(219,141)	(272,893)
Total expenses		(3,741,432)	(3,490,993)
Profit before tax		89,355	787,154
Income tax expense	10	(467,739)	(585,111)
(Loss)/Profit for the year		(378,384)	202,043
Other comprehensive (loss)/income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial loss on defined benefit plans	22	(54,596)	(56,397)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation (loss)/gain			
– (Loss)/gain on translating foreign operations		(292,785)	216,208
Other comprehensive (loss)/income, net of tax		(347,381)	159,811
Total comprehensive (loss)/income for the year		(725,765)	361,854
(Loss)/Profit for the year attributable to:			
Owners of the Company		(378,384)	202,043
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(725,765)	361,854
(Loss)/Profit per share (S\$ cents)			
– Basic	11	(0.0013)	0.0007
– Diluted	11	(0.0013)	0.0007

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group		Company	
		2020 S\$	2019 S\$	2020 S\$	2019 S\$
ASSETS					
Current assets					
Cash and bank balances	12	917,355	944,690	215,023	140,716
Other financial assets	13	120,259	120,259	120,259	120,259
Trade and other receivables	14	519,400	628,404	185,303	–
Other assets	15	44,795	45,510	16,437	16,882
Income tax receivable		163,174	–	–	–
		1,764,983	1,738,863	537,022	277,857
Asset held for sale	17	–	1,185,120	–	–
		1,764,983	2,923,983	537,022	277,857
Non-current assets					
Investments in subsidiaries	18	–	–	104,456	104,456
Loans to subsidiaries	18	–	–	10,733,221	11,194,150
Property and equipment	19	4,245,613	4,873,424	97,048	150,863
Other assets	15	200,000	–	200,000	–
Development property	16	4,578,950	4,576,173	–	–
Deferred tax assets	23	277,649	379,708	–	–
		9,302,212	9,829,305	11,134,725	11,449,469
Total Assets		11,067,195	12,753,288	11,671,747	11,727,326
LIABILITIES					
Current liabilities					
Trade and other payables	20	1,555,111	1,682,166	2,646,052	2,101,776
Borrowings	21	499,702	605,276	–	–
Loan from a subsidiary	18	–	–	5,590,000	4,590,000
Lease liabilities	29	48,332	48,868	48,332	48,868
Income tax payable		–	168,743	–	–
		2,103,145	2,505,053	8,284,384	6,740,644
Non-current liabilities					
Lease liabilities	29	56,248	104,580	56,248	104,580
Defined benefit plan	22	971,425	1,252,968	–	–
Borrowings	21	4,953,563	5,182,108	4,832,335	4,832,335
		5,981,236	6,539,656	4,888,583	4,936,915
Total Liabilities		8,084,381	9,044,709	13,172,967	11,677,559
Net Assets/(Liabilities)		2,982,814	3,708,579	(1,501,220)	49,767
EQUITY					
Equity attributable to owners of the Company					
Share capital	24	127,338,850	127,338,850	127,338,850	127,338,850
Reserves	25	(4,094,843)	(3,802,058)	–	–
Accumulated losses		(120,261,193)	(119,828,213)	(128,840,070)	(127,289,083)
Total Equity		2,982,814	3,708,579	(1,501,220)	49,767

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	← Attributable to owners of the Company →				Total equity S\$
	Share capital S\$	Currency translation reserve S\$	Other reserves S\$	Accumulated losses S\$	
Group					
2020					
Balance at 1 January 2020	127,338,850	(5,537,056)	1,734,998	(119,828,213)	3,708,579
Loss for the year	-	-	-	(378,384)	(378,384)
Other comprehensive loss, net of tax:					
Foreign currency translation loss	-	(292,785)	-	-	(292,785)
Actuarial loss on defined benefit plan	-	-	-	(54,596)	(54,596)
Total comprehensive loss for the year	-	(292,785)	-	(432,980)	(725,765)
Balance at 31 December 2020	127,338,850	(5,829,841)	1,734,998	(120,261,193)	2,982,814

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

(cont'd)

	← Attributable to owners of the Company →				Total equity S\$
	Share capital S\$	Currency translation reserve S\$	Other reserves S\$	Accumulated losses S\$	
Group					
2019					
Balance at 1 January 2019	127,338,850	(5,753,264)	1,734,998	(119,969,525)	3,351,059
Adoption of SFRS(I) 16	–	–	–	(4,334)	(4,334)
Adjusted balance at 1 January 2019	127,338,850	(5,753,264)	1,734,998	(119,973,859)	3,346,725
Profit for the year	–	–	–	202,043	202,043
Other comprehensive income/(loss), net of tax:					
Foreign currency translation income	–	216,208	–	–	216,208
Actuarial loss on defined benefit plan	–	–	–	(56,397)	(56,397)
Total comprehensive income for the year	–	216,208	–	145,646	361,854
Balance at 31 December 2019	127,338,850	(5,537,056)	1,734,998	(119,828,213)	3,708,579

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group	
		2020 S\$	2019 S\$
Cash Flows from Operating Activities:			
Profit before tax		89,355	787,154
Adjustments for:			
Unrealised foreign exchange (gain)/loss		(185,074)	110,709
Write-off of property and equipment	6	2,876	596
Depreciation of property and equipment	8	647,923	673,807
Interest expense	9	219,141	272,893
Interest income	6	(4,697)	(5,877)
Gain on disposal of property and equipment	6	–	(6,901)
Loss allowance on trade receivables	8	461	316
Write-back of loss allowance on other receivables	8	–	(7,901)
Operating cash flows before working capital changes		769,985	1,824,796
Changes in working capital:			
Receivables		87,201	73,803
Payables		(582,083)	(455,395)
Cash flows generated from operations		275,103	1,443,204
Tax paid		(693,892)	(612,616)
Net cash flows (used in)/generated from operating activities		(418,789)	830,588
Cash Flows from Investing Activities			
Proceeds from disposal of property and equipment		–	10,600
Purchase of property and equipment	19	(162,988)	(504,563)
Proceeds from disposal of asset held-for-sale	17	984,250	–
Interest received		4,697	5,877
Net cash flows generated from/(used in) investing activities		825,959	(488,086)
Cash Flows from Financing Activities			
Repayment of lease liabilities	21(c)	(55,760)	(55,560)
Repayment of borrowings	21(c)	(306,645)	(216,954)
Proceeds from borrowings	21(c)	–	300,000
Interest paid		(66,882)	(119,627)
Net cash flows used in financing activities		(429,287)	(92,141)
Net (decrease)/increase in cash and cash equivalents		(22,117)	250,361
Cash and cash equivalents at beginning of the year		944,690	673,690
Effect of changes in foreign exchange rates on cash and cash equivalents		(5,218)	20,639
Cash and cash equivalents at end of the year	12	917,355	944,690

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

Blumont Group Ltd. (the “Company”) is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of the Company’s registered office and principal place of business is Apex @ Henderson, 201 Henderson Road, #03-26/27, Singapore 159545.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 18.

The ultimate holding company was Ultimate Horizon Pte. Ltd., which is incorporated in Singapore. The ultimate controlling party was Siaw Lu Howe. On 16 November 2020, Mark Wee Liang Yee purchased 50.8% of the Company’s shares from Ultimate Horizon Pte. Ltd. and on 31 December 2020 completed the purchase of another 0.5% of the shares from other shareholders, thus, holding a total of 51.3% of shares. This made him the ultimate controlling party of the Group.

2. Application of Singapore Financial Reporting Standards (International) (“SFRS(I)s”)

(a) Application of new and revised SFRS(I)s and SFRS(I) INTs

On 1 January 2020, the Group and the Company adopted all the new or amended SFRS(I) and SFRS(I) Interpretations (“SFRS(I) INTs”) that are mandatory for application for the financial year. Changes to the Group’s and Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of these new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group’s and Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years except as discussed below:

Amendment to SFRS(I) 16 *COVID-19 – Related Rent Concessions*

The amendment provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change were not a lease modification. The amendment is effective for annual periods beginning on or after 1 June 2020, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Application of Singapore Financial Reporting Standards (International) (“SFRS(I)s”) (cont’d)

(a) Application of new and revised SFRS(I)s and SFRS(I) INTs (cont’d)

Amendment to SFRS(I) 16 COVID-19 – Related Rent Concessions (cont’d)

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) Any reduction in lease payments affects only payments originally due in on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of the lease.

In current financial year, the Group has applied the amendment to SFRS(I) 16 in advance of its effective date.

Impact of accounting for changes in lease payments applying the exemption

The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions in SFRS(I) 16 paragraph 14b, and has not restated prior period figures.

The Group has benefitted from a 2-month waiver of lease payments on buildings. The waiver of lease payments of S\$4,274 has been accounted for in the profit or loss.

(b) SFRS(I)s and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and Company but not yet effective:

		Effective for annual periods beginning on or after
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	Annual Improvements to SFRS(I)s 2018 – 2020	1 January 2022
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) as issued by Accounting Standards Council. These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgment in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgment or complexity, are disclosed in Note 4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty.

The financial statements are presented in Singapore dollars (“S\$”), which is the functional currency of the Company.

(b) Going Concern Assumption

As at 31 December 2020, the Group and Company is in a net current liability position of S\$338,162 and S\$7,747,362 (which includes a loan from a 100% owned subsidiary of S\$5,590,000) respectively. This condition may cast significant doubt on the ability of the Group and Company to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business. Nevertheless, the directors of the Group and Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2020 remains appropriate after taking into account the following factors:

- The Group expects the sterilisation business segment to continue generating positive operating cash flows in the next 12 months from the date of approval of the financial statements;
- The Group continues its efforts to generate cash from operating activities by implementing measures in improving sales, generating cash from new sales contracts and containing capital and operating expenditures to fund the continuous repayments of the banks and other borrowings of the Group and retain sufficient working capital for general operations; and
- The Group is actively looking for additional sources of financing to enhance its financial position and support the plans to expand its operations.

The Company is able to obtain cash from its subsidiaries by way of borrowings or dividends in order to meet its financial obligations in the next 12 months. The ultimate controlling party has also provided a written undertaking to provide financial support to the Company to enable it to continue with its operations and to meet its financial obligations as and when they fall due for the next 12 months from the date of approval of financial statements of the Company by the Directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(c) Group Accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the entity sold.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(c) Group Accounting (cont'd)

Subsidiaries (cont'd)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interest in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference as a gain or loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(d) Investments in Subsidiary Companies

Investments in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(e) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Rendering of services

Revenue is recognised when the sterilisation process of customer products is completed. The amount of revenue recognised is based on the pre-negotiated price, which comprises the contractual price, net of any pre-negotiated upfront volume discounts and adjusted for expected returns. The Group recognises the refunds due to expected returns from customers as refund liabilities. The corresponding amounts are adjusted against revenue in the period in which the returns occur. Payment of the transaction price is due within the credit terms given by the Group upon completion of sterilisation of customers' products.

(ii) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line method over the lease term as set out in specific rental agreements.

(iii) Property management fees

Property management fees are recognised when services are rendered under the terms of the contract.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(v) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(f) Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "Property and equipment" and lease liabilities in "Lease liabilities" in the statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

When the Group is the lessee (cont'd)

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

(g) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

The financial statements are presented in Singapore Dollars ("S\$"), which is the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(g) Foreign Currencies (cont'd)

(ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange difference on monetary items is recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivables from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(iii) Translation of Group entities' financial statements

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rates at the statement of financial position date;
- Income and expenses are translated at average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transaction); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(g) Foreign Currencies (cont'd)

(iii) Translation of Group entities' financial statements (cont'd)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposal of associate that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(i) Employee Benefits (cont'd)

(ii) Defined benefit plan

A subsidiary in the Group has an unfunded defined benefit plan covering substantially all of their eligible permanent employees in accordance with a subsidiary in the Group's Collective Labour Agreement and Labour Law No. 13/2003 of Indonesia. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actual gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings/(accumulated losses) and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement of the net defined benefit liability/(asset) in other comprehensive income.

The Group presents the first two components of defined benefit costs in profit or loss in "employee benefits". Curtailment gains and losses are accounted for as past service costs.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At the statement of financial position date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(i) Employee Benefits (cont'd)

(iii) Share-based compensation (cont'd)

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The share-based payment reserve is transferred to retained earnings/(accumulated losses) upon expiry of the share options. When the options are exercised, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

(j) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(j) Income Tax (cont'd)

(ii) Deferred tax (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amount of its tax assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at the date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(k) Property and Equipment

(i) Measurement

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Construction-in-progress are carried at cost less any impairment losses. Depreciation of construction-in-progress, on the same basis as other assets, commences when the assets are ready for their intended use.

(ii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and construction-in-progress) less their residual values (if any) over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at the statement of financial position date. The effects of any revision are recognised in profit or loss when the changes arise.

The following useful lives are used in the calculation of depreciation:

	<u>Useful lives</u>
Building	20 years
Leasehold property	4 years
Renovations	3 years
Furniture and fittings	5 years
Office, computer and other equipment	3, 5 and 8 years
Cobalt isotope	10 years
Motor vehicles	7 and 8 years

(iii) Subsequent expenditure

Subsequent expenditure related to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(k) Property and Equipment (cont'd)

(iv) Disposal

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(l) Development Property

Development property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes and land that is held for long-term capital appreciation or for a current indeterminate use), are measured initially at its cost, including transaction costs.

Subsequently to initial recognition, development property is carried at cost less accumulated impairment losses.

Development property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

The carrying value of development property is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered. The residual value, useful life and depreciation method are reviewed, and adjusted prospectively, if appropriate.

Development property is derecognised when either they have been disposed of or when the development property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of a development property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year of retirement or disposal.

(m) Impairment of Non-financial Assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the statement of financial position date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(m) Impairment of Non-financial Assets (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each statement of financial position date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value, using the weighted average method. Inventories comprise materials and supplies to be consumed in the rendering of sterilisation services.

Net realisable value is the estimated selling price of sterilisation services less all estimated costs of completion and cost necessary to make the sale. Allowance for stock obsolescence is made for obsolete or slow moving inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(o) Asset Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell, except for specified assets in SFRS(I) 5 which continue to be measured in accordance with the Group's accounting policies, including deferred tax assets, assets arising from employee benefits, investment property measured at fair value, financial assets within the scope of SFRS(I) 9 and contractual rights under insurance contracts.

The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Non-current assets that cease to be classified as held for sale is measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluation that would have been recognised had the asset not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell.

Any required adjustment to the carrying amount of the non-current assets that cease to be classified as held for sale is recognised in profit or loss in the period in which the decision not to sell is made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets

(i) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVPL), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Initial Recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(i) Classification and measurement (cont'd)

Subsequent Measurement

(a) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities. Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. For debt instrument that is measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Impairment losses are deducted from the gross carrying amount of these assets and are presented as separate line item in the statement of profit or loss.

Interest income is recognised in profit or loss and is included in the "other (losses)/gains – net" line item.

FVPL

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other (losses)/gains in the period in which it arises. For a debt investment that is measured at FVPL that is not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Interest income from these financial assets is included in "other (losses)/gains – net" using the effective interest rate method.

In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(i) Classification and measurement (cont'd)

Subsequent Measurement (cont'd)

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value of equity investments in OCI and there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Changes in fair value of equity instruments at FVOCI are recognised in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(ii) Impairment

The Group assesses on a forward looking basis the expected credit losses (“ECLs”) associated with the following financial instruments:

- financial assets measured at amortised costs;
- financial assets measured at FVPL; and

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – Trade receivables

The Group applies the simplified approach to provide ECLs for all trade receivables as permitted by SFRS(I) 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(ii) Impairment (cont'd)

General approach – Other financial instruments

The Group applies the general approach to provide for ECLs on all other financial instruments which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(ii) Impairment (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event (e.g. being more than 90 days past due);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not otherwise consider (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(iii) Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If the Group has elected on initial recognition to measure the equity instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(r) Financial Liabilities

The Group shall recognise a financial liability on its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are recognised initially at fair value.

Financial liabilities are classified as “other financial liabilities”.

Other financial liabilities

Other financial liabilities (including borrowings, trade and other payables and loan from a subsidiary), are initially measured at fair value, plus any direct attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integrated part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(s) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”).

- a. A person or a close member of that person’s family is related to the Group and Company if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(s) Related Parties (cont'd)

- b. An entity is related to the Group and the company if any of the following conditions applies:
- i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - vi. the entity is controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive personnel responsible for allocating resources and assessing performance of the operating segments.

(u) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

(v) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

(w) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an asset, fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as credit in profit or loss, either separately or under a general heading such as "Other gains". Alternatively, they are deducted in reporting the related expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3 above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgments in applying accounting policies

In addition to Note 3(b), the application of judgments in the process of applying the Group's accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements are as follows:

(i) Impairment of investments in subsidiaries

Investments in subsidiaries (including loans to subsidiaries which are in substance part of the net investments in subsidiaries) are tested for impairment whenever there is any objective evidence or indication that these investments may be impaired. In determining whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance, financial position and the overall economic environment in which the subsidiaries operate.

The carrying amounts of the Company's net investments in subsidiaries as at 31 December 2020 and the movements in the relevant allowances for impairment loss during the financial year are disclosed in Note 18.

(ii) Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs.

The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical judgments in applying accounting policies (cont'd)

(iii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and taxability of certain income in each relevant tax jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group's income tax receivable as at 31 December 2020 is S\$163,174 (Income tax payable in 2019: S\$168,743). The Group's deferred taxes are disclosed in Note 23. For the financial year ended 31 December 2020, the Group has recognised income tax expense of S\$467,739 (2019: S\$585,111) (Note 10).

(iv) Impairment of development property

The Group carries its development property at cost less any accumulated impairment losses. The Group obtains external, independent valuations for its property annually.

As at 31 December 2020, the fair value of the development property at the end of the reporting period are disclosed in Note 16 of the financial statements. The valuations applied in the determination of fair value of development properties are disclosed and further explained in Note 16.

The carrying amount of development property as at 31 December 2020 was S\$4,578,950 (2019: S\$4,576,173), and no allowance for impairment loss is required for the development property as disclosed in Note 16.

(v) Valuation of investment property held for sale

The Group will classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when:

- the sale is highly probable and the asset is available for immediate sale in its present condition; and
- the management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

The Group measures an investment property classified as held for sale at fair value.

As at 31 December 2020, the Group's investment property held for sale amounted to S\$NIL (2019: S\$1,185,120), carried at fair value as disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty as at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Defined Benefit Plan

The present value of employee compensation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, rate of future salary increase and rate of resignation. Any changes in these assumptions will impact the carrying amount of employee compensation.

In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligations. These corporate bonds generally have an AA rating with low risk of default. The interest rate is used to determine the present value of estimated future cash outflows expected to be required to settle employee compensation. Management does not expect any variable changes in the assumptions used to determine the present value of employee compensation on an actuarial basis will result in the amount determined to be materially different.

A 1% increase or decrease in the discount rate used in calculating the employee compensation would have no significant impact on the amount recognised by the Group during the financial year.

The carrying amount of the Group's employee compensation as at 31 December 2020 is disclosed in Note 22.

5. Revenue

	Group	
	2020 S\$	2019 S\$
Revenue from sterilisation services	3,495,382	4,211,505
Rental income (Note 17(b))	3,869	86,909
	3,499,251	4,298,414

The Group derives revenue from the transfer of services at a point in time, when the Group satisfies a performance obligation and the customers obtain control of the services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. Other Gains/(Losses) – Net

	Group	
	2020	2019
	S\$	S\$
Currency exchange gain/(loss) – net	256,926	(50,569)
Interest income	4,697	5,877
Gain on disposal of property and equipment	–	6,901
Write-off of property and equipment	(2,876)	(596)
Miscellaneous income	72,789	18,120
	331,536	(20,267)

7. Employee Benefits

	Group	
	2020	2019
	S\$	S\$
Short-term employee benefits	1,637,863	1,486,785
Post-employment benefits	27,521	31,482
Other long-term employee benefits (Note 22)	278,023	161,101
	1,943,407	1,679,368

8. Other Expenses

	Group	
	2020	2019
	S\$	S\$
Audit fees:		
– auditor of the Company	55,000	87,000
– other auditors	17,593	17,728
Non-audit fees:		
– auditors	–	12,000
Legal, professional and consultancy fees	105,891	91,325
Loss allowance on trade receivables (Note 14)	461	316
Write-back of loss allowance on other receivables (Note 14)	–	(7,901)
Depreciation of property and equipment (Note 19)	647,923	673,807
Upkeep expenses	109,413	117,316
Directors' fees	100,000	92,000
Travelling expenses	15,453	56,580
Postage and telecommunication expenses	18,149	15,818
Printing and stationery expenses	50,870	36,264
Staff training and welfare expenses	60,506	57,709
Marketing and advertising	3,659	15,442
Provision for withholding tax expense	94,788	74,604
Sundry expenses	52,343	868
SGX expenses	39,225	37,450
Others	152,726	85,097
	1,524,000	1,463,423

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. Finance Costs

	Group	
	2020 S\$	2019 S\$
Interest expense		
– loans from bank	66,878	117,402
– loan from a shareholder	145,367	143,885
– lease liabilities	6,892	11,521
– others	4	85
	219,141	272,893

10. Income tax expense

	Group	
	2020 S\$	2019 S\$
Income tax expense comprised:		
Current income tax	373,430	626,072
Deferred tax (Note 23)	57,977	(47,059)
	431,407	579,013
Under provision in prior years:		
Current income tax	(7,634)	2,477
Deferred tax (Note 23)	43,966	3,621
	36,332	6,098
	467,739	585,111

The reconciliation of the income tax expense and the product of accounting loss multiplied by the Singapore statutory income tax rate is as follows:

	Group	
	2020 S\$	2019 S\$
Profit before tax	89,355	787,154
Tax at the statutory tax rate of 17% (2019: 17%)	15,190	133,816
Effect of different tax rates in other countries	62,380	154,751
Tax effect of non-taxable income	(40,999)	(66,072)
Tax effect of non-deductible expenses*	363,153	311,879
Deferred tax assets not recognised	31,683	44,639
Under provision of income tax in prior years	36,332	6,098
	467,739	585,111

* attributable mainly to non-deductible expenses of Indonesia, Malaysia and Singapore operations (2019: non-deductible expenses of Indonesia, Malaysia and Singapore operations) recognised by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. Income tax expense (cont'd)

The income tax rate used for the reconciliation above is the corporate income tax rate of 17% payable by the Company and other Singapore companies of the Group on taxable profits under tax laws in that jurisdiction. Taxation for the Group's operations in other jurisdictions are either not material or have no taxable profits. The applicable corporate tax rates in Indonesia and Malaysia are 22% (2019: 25%) and 24% (2019: 24%) respectively.

11. (Loss)/Profit per Share

(a) Basic (loss)/profit per share

Basic loss per share is calculated on the net loss attributable to owners of the Company of S\$378,384 (2019: net profit attributable to owners of the Company of S\$202,043) divided by the weighted average number of ordinary shares of 27,570,762,183 (2019: 27,570,762,183) in issue during the financial year.

(b) Diluted (loss)/profit per share

Diluted loss per share is calculated on the net loss attributable to owners of the Company of S\$378,384 (2019: net profit attributable to owners of the Company of S\$202,043) divided by the weighted average number of ordinary shares of 27,570,762,183 (2019: 27,570,762,183) in issue during the financial year after adjustment for the effects of all dilutive potential ordinary shares.

Diluted profit/(loss) per share is the same as the basic profit/(loss) per share as there were no dilutive potential ordinary shares outstanding as at 31 December 2020 and 2019.

12. Cash and Bank Balances

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Cash at bank and on hand	917,355	944,690	215,023	140,716

13. Other Financial Assets

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Equity investments measured at fair value through profit or loss				
Listed equity securities (a)	120,259	120,259	120,259	120,259

(a) These equity investments measured at fair value through profit or loss ("FVPL") were designated at FVPL at inception by management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. Trade and Other Receivables

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Trade receivables				
– third parties (a)	225,272	259,016	–	–
Less: Loss allowance	(463)	(317)	–	–
Trade receivables – net	224,809	258,699	–	–
Other receivables				
– third parties (b)	230,989	491,406	121,701	121,701
– related party (c)	185,303	–	185,303	–
Less: Loss allowance (b)	(121,701)	(121,701)	(121,701)	(121,701)
Other receivables – net	294,591	369,705	185,303	–
Total trade and other receivables	519,400	628,404	185,303	–

- (a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days (2019: 30 to 60 days).
- (b) As at 31 December 2020, the Group and the Company's other receivables – third parties include a receivable from a third party with a carrying amount of S\$121,701 and S\$121,701 respectively (2019: S\$121,701 and S\$121,701 respectively). The Group and the Company has impaired S\$121,701 and S\$121,701 respectively (2019: S\$121,701 and S\$121,701 respectively) based on management's assessment of the recoverable amount of the said receivable as at the financial year end.
- (c) Other receivables from related party relates to reimbursement of expenses from shareholder.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as presented below:

	Trade receivables past due (days)			Total S\$
	Current S\$	< 60 days S\$	> 60 days S\$	
Group				
<u>2020</u>				
Expected credit loss rate	0.05%	0.10%	0.30%	
Trade receivables – gross carrying amount at default	119,364	80,055	25,853	225,272
Loss allowance – lifetime ECL	–*	–*	–*	–*
Loss allowance – credit-impaired	–	–	(463)	(463)
Total loss allowance	–	–	(463)	(463)
				224,809

- * Loss allowance for trade receivables measured at an amount equal to lifetime ECL is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. Trade and Other Receivables (cont'd)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as presented below: (cont'd)

	Trade receivables past due (days)			Total S\$
	Current S\$	< 60 days S\$	> 60 days S\$	
Group				
<u>2019</u>				
Expected credit loss rate	0.05%	0.10%	0.30%	
Trade receivables – gross carrying amount at default	157,962	100,733	321	259,016
Loss allowance – lifetime ECL	–*	–*	–*	–*
Loss allowance – credit-impaired	–	–	(317)	(317)
Total loss allowance	–	–	(317)	(317)
				<u>258,699</u>

* Loss allowance for trade receivables measured at an amount equal to lifetime ECL is immaterial.

Loss allowance on trade receivables has been measured at an amount equal to expected credit losses as disclosed in the accounting policy Note 3(p)(ii). Loss allowance for other receivables has been measured at an amount equal to 12-month expected credit losses as disclosed in the accounting policy Note 3(p)(ii). The Group has regarded all receivables over 90 days past due as defaulted and credit-impaired because historical experience has indicated that these receivables are generally not recoverable. Exact percentage will depend on the impairment test. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The movements in credit loss allowance for impairment of trade and other receivables during the year are as follows:

	Group	
	2020 S\$	2019 S\$
<i>Trade receivables</i>		
Balance as at the beginning of the year	317	–
Loss allowance recognised in profit or loss during the year (Note 8)	461	316
Write-off	(317)	–
Currency translation differences	2	1
Balance as at end of the year	<u>463</u>	<u>317</u>
<i>Other receivables</i>		
Balance as at the beginning of the year	121,701	129,616
Write-back of loss allowance recognised in profit or loss during the year (Note 8)	–	(7,901)
Currency translation differences	–	(14)
Balance as at end of the year	<u>121,701</u>	<u>121,701</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. Trade and Other Receivables (cont'd)

The movements in credit loss allowance for impairment of trade and other receivables during the year are as follows: (cont'd)

	Company	
	2020 S\$	2019 S\$
<i>Other receivables</i>		
At 1 January and 31 December	121,701	121,701

15. Other Assets

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Inventories	1,054	1,100	–	–
Deposits	210,936	11,460	208,650	8,610
Prepayments	32,805	32,950	7,787	8,272
Total other assets	244,795	45,510	216,437	16,882
Classified as:				
Current	44,795	45,510	16,437	16,882
Non-current	200,000	–	200,000	–
Total other assets	244,795	45,510	216,437	16,882

The cost of inventories recognised as an expense and included in “Raw materials and consumables used” amounted to S\$54,884 (2019: S\$75,309) during the financial year.

16. Development Property

	Group	
	2020 S\$	2019 S\$
Balance at the beginning of the year	4,576,173	4,584,510
Currency exchange difference	2,777	(8,337)
Balance at the end of the year – property for development representing leasehold land, at cost	4,578,950	4,576,173

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16. Development Property (cont'd)

Details of the Group's development property are as follows:

Description and Location	Usage	Tenure, (unexpired terms) and Land Area (square metre)	Stage of Completion and (Expected Year of Completion)	Effective Interest in Property	Net Book Value	
					2020 S\$	2019 S\$
Leasehold land Malaysia Title No. PN 12245, Lot No. 1719, Section 13, Town of Shah Alam, District of Petaling, Selangor.	Commercial	Leasehold, (81 years) 7,863 sq. metre	–	100	4,578,950	4,576,173

Management has not determined the plan for the leasehold land since the joint development activity lapsed. Management has obtained an independent valuation of the development property which has a valuation of RM28.0 million (S\$9.3 million) as at 31 December 2020. The valuation was based on the Direct Market Comparison Method and was classified under Level 2 (2019: Level 2) of the fair value hierarchy, as defined in Note 26(d).

17. Asset Held for Sale

	Group	
	2020 S\$	2019 S\$
Investment property		
Balance at the beginning of the year	1,185,120	1,187,280
Disposal	(1,185,840)	–
Currency translation differences	720	(2,160)
Balance at end of the year	–	1,185,120

- (a) On 15 September 2015, the Group entered into a sale and purchase agreement for the disposal of the unit number B-37-01 (the "Property") at Suasana Sentral Condominium for a total cash consideration of RM3.6 million (approximately S\$1.2 million). A deposit of RM0.6 million (approximately S\$0.2 million) was received in the financial year ended 31 December 2015. Accordingly, this investment property was reclassified to asset held for sale as at 31 December 2015.

In the financial year ended 31 December 2016, a legal suit was filed against the Group in respect of the sale of the property. The legal proceedings have concluded in 2019. The details are disclosed in Note 32.

Based on the Consent Judgment, the sale of the property being upheld at the agreed original selling price of RM3.6 million (approximately S\$1.2 million). The Group had received the full settlement of the remaining RM3.0 million (approximately S\$1.0 million) during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. Asset Held for Sale (cont'd)

- (b) Investment property classified under asset held for sale are leased to non-related parties.

	Group	
	2020 S\$	2019 S\$
The following are recognised in profit or loss:		
Rental income from investment property (Note 5)	3,869	86,909
Direct operating expenses (including repairs and maintenance) arising from rental generating property	1,949	11,946

- (c) The fair value of the Group's investment property as at the statement of financial position date approximates the carrying amount, as assessed by the management. In estimating the fair value of the property, the highest and best use of the property is their current use.

In financial year ended 31 December 2019, management has determined the fair values of the investment property held to be S\$1,185,120 and no fair value gain or loss was recognised in profit or loss. The fair value of investment property was classified under Level 2 of the fair value hierarchy, as defined in Note 26(d).

During the financial year ended 31 December 2019, the Group transferred the investment property from Level 3 to Level 2 of the fair value hierarchy. The reason for the transfer from Level 3 to Level 2 is that the litigation matter in relation to the sale of the investment property had concluded during the financial year ended 31 December 2019, with the sale being upheld (Note 32). Prior to the transfer, the fair value of the investment property was determined using the market comparable approach with reference to the price per square foot. The price per square foot was dependent on the difference in the nature, location or condition of the specific property. The valuation process was performed by the Accountant, and reviewed by Finance Manager and Chief Financial Officer.

For the purposes of measuring deferred taxes for investment property that are measured using a fair value model, the carrying amounts of such property is presumed to be recovered entirely through sale, unless the presumption is rebutted. Management has reviewed the Group's investment property portfolio and concluded that none of the Group's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, management has determined that the 'sale' presumption is not rebutted. As a result, the Group did not recognise any deferred taxes on changes in fair value of the investment property, as the Group is not subject to any income taxes on the fair value changes of the investment property on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Investments in Subsidiaries/Loans to Subsidiaries/Loan from Subsidiary

	Company	
	2020	2019
	S\$	S\$
Investments in subsidiaries (a)	104,456	104,456
Less: Allowance for impairment loss	-	-
	104,456	104,456
Loans to subsidiaries (b)	13,588,811	14,034,665
Less: Allowance for impairment loss	(2,855,590)	(2,840,515)
	10,733,221	11,194,150
Loan from subsidiary	5,590,000	4,590,000

(a) Investments in subsidiaries

Movements in investments in subsidiaries and allowance for impairment loss during the financial year are as follows:

	Company	
	2020	2019
	S\$	S\$
<i>Unquoted equity shares, at cost</i>		
Balance at the beginning of the year	104,456	104,456
<i>Allowance for impairment loss</i>		
Balance at the beginning of the year	-	2
Write-back of impairment during the year	-	(2)
Balance at the end of the year	-	-
Carrying amount of investments in subsidiaries	104,456	104,456

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Investments in Subsidiaries/Loans to Subsidiaries/Loan from Subsidiary (cont'd)

(b) Loans to subsidiaries

As at 31 December 2020, the loans to subsidiaries consist of interest-free loan receivables of S\$13,588,811 (2019: S\$14,034,665).

The loans receivables are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the equity of the subsidiaries, they are stated at cost less impairment losses.

Movements in the allowance for impairment loss of loans to subsidiaries during the financial year are as follows:

	Company	
	2020	2019
	S\$	S\$
Balance at the beginning of the year	2,840,515	2,882,977
Allowance for/(Write-back of) impairment during the year (i)	15,075	(42,462)
Balance at the end of the year	2,855,590	2,840,515

(i) As at 31 December 2020, the Company had additional allowance for impairment loss of S\$15,075 (2019: written back an allowance for impairment loss of S\$42,462) of its loans to subsidiaries to profit or loss based on management's judgment of the recoverable amount of the loans to the relevant subsidiaries as at the financial year end.

(c) Loan from a subsidiary

The loan from a subsidiary bears interest at between 9% and 10% (2019: 9% and 10%) per annum and is repayable on demand or when the cashflow permits (repayment term) and the interest will continue to accrue until repayment of the respective principal is made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Investments in Subsidiaries/Loans to Subsidiaries/Loan from Subsidiary (cont'd)

(d) Details of the Group's subsidiaries are as follows:

Name of companies Country of business/incorporation	Principal activities	Effective equity held by the Group	
		2020 %	2019 %
<u>Held by the Company</u>			
Adroit Innovations Investment Pte. Ltd. ^(a) Singapore	Investment holding	100	100
Tria Holdings Pte. Ltd. ^(a) Singapore	Investment holding	100	100
Asphere Holdings Pte. Ltd. ^(a) Singapore	Investment holding	100	100
Raintree Rock Sdn. Bhd. ^(b) Malaysia	Investment holding	100	100
<u>Held by Adroit Innovations Investment Pte. Ltd.</u>			
PT Rel-ion Sterilization Services ^(c) Indonesia	Sterilisation and polymerisation services	77.71	77.71
<u>Held by Tria Holdings Pte. Ltd.</u>			
Trackplus Sdn. Bhd. ^(b) Malaysia	Property development	65	65
Solid Base Limited ^(d) Seychelles	Investment holding	100	100
<u>Held by Solid Base Limited.</u>			
Trackplus Sdn. Bhd. ^(b) Malaysia	Property development	35	35
<u>Held by Asphere Holdings Pte. Ltd.</u>			
Gemisuria Corporation Sdn. Bhd. ^(b) Malaysia	Property development	100	100
PT Rel-ion Sterilization Services ^(c) Indonesia	Sterilisation and polymerisation services	22.29	22.29

(a) Audited by PKF, Singapore.

(b) Audited by PKF, Malaysia.

(c) Audited by PKF, Indonesia (Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan, Indonesia.)

(d) No audit requirement in the country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. Property and Equipment

Group 2020 Cost	Freehold land S\$	Building S\$	Leasehold property S\$	Renovations S\$	Furniture and fittings S\$	Office, computer and other equipment S\$	Cobalt isotope S\$	Motor vehicles S\$	Construction in-progress S\$	Total S\$
At 1 January	828,010	1,770,984	225,527	67,563	3,700	1,733,019	3,805,020	639,263	-	9,073,086
Additions	-	-	-	-	-	63,803	-	-	99,185	162,988
Write-off	-	-	-	-	-	(12,672)	-	-	-	(12,672)
Currency translation differences	(24,838)	(53,125)	-	-	-	(50,224)	(114,139)	(19,175)	(380)	(261,881)
At 31 December	803,172	1,717,859	225,527	67,563	3,700	1,733,926	3,690,881	620,088	98,805	8,961,521
Accumulated depreciation										
At 1 January	-	509,711	85,035	63,445	3,700	1,147,119	2,025,558	365,094	-	4,199,662
Depreciation during the year (Note 8)	-	86,223	44,366	4,118	-	134,658	312,802	65,756	-	647,923
Write-off	-	-	-	-	-	(9,796)	-	-	-	(9,796)
Currency translation differences	-	(15,622)	-	-	-	(33,096)	(61,960)	(11,203)	-	(121,881)
At 31 December	-	580,312	129,401	67,563	3,700	1,238,885	2,276,400	419,647	-	4,715,908
Net carrying amount										
At 31 December	803,172	1,137,547	96,126	-	-	495,041	1,414,481	200,441	98,805	4,245,613

As at 31 December 2020, the Group's loans from bank are secured by the Group's freehold land and building, which have a carrying amount of S\$1,940,719 (2019: S\$2,089,283) (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. Property and Equipment (cont'd)

Group 2019 Cost	Freehold land S\$	Building S\$	Leasehold property S\$	Renovations S\$	Furniture and fittings S\$	Office, computer and other equipment S\$	Cobalt isotope S\$	Motor vehicles S\$	Construction in-progress S\$	Total S\$
At 1 January	805,135	1,413,206	—	67,563	3,700	1,535,056	3,699,903	561,227	36,955	8,122,745
Adoption of SFRS(I) 16	—	—	225,527	—	—	18,433	—	—	—	243,960
At 31 December	805,135	1,413,206	225,527	67,563	3,700	1,553,489	3,699,903	561,227	36,955	8,366,705
Additions	—	—	—	—	—	137,660	—	88,699	278,204	504,563
Transfer	—	307,159	—	—	—	—	—	—	(307,159)	—
Disposals	—	—	—	—	—	—	—	(26,924)	—	(26,924)
Write-off	—	—	—	—	—	(1,085)	—	—	—	(1,085)
Currency translation differences	22,875	50,619	—	—	—	42,955	105,117	16,261	(8,000)	229,827
At 31 December	828,010	1,770,984	225,527	67,563	3,700	1,733,019	3,805,020	639,263	—	9,073,086
Accumulated depreciation										
At 1 January	—	423,285	—	32,845	3,700	967,161	1,657,234	317,251	—	3,401,476
Adoption of SFRS(I) 16	—	—	40,669	—	—	10,138	—	—	—	50,807
At 31 December	—	423,285	40,669	32,845	3,700	977,299	1,657,234	317,251	—	3,452,283
Depreciation during the year (Note 8)	—	74,022	44,366	30,600	—	143,351	319,610	61,858	—	673,807
Disposals	—	—	—	—	—	—	—	(23,225)	—	(23,225)
Write-off	—	—	—	—	—	(489)	—	—	—	(489)
Currency translation differences	—	12,404	—	—	—	26,958	48,714	9,210	—	97,286
At 31 December	—	509,711	85,035	63,445	3,700	1,147,119	2,025,558	365,094	—	4,199,662
Net carrying amount										
At 31 December	828,010	1,261,273	140,492	4,118	—	585,900	1,779,462	274,169	—	4,873,424

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. Property and Equipment (cont'd)

	Renovations S\$	Leasehold property S\$	Furniture and fittings S\$	Office, computer and other equipment S\$	Total S\$
Company					
2020					
<u>Cost</u>					
At 1 January & 31 December	67,563	225,527	3,700	65,219	362,009
<u>Accumulated depreciation</u>					
At 1 January	63,445	85,035	3,700	58,966	211,146
Depreciation during the year	4,118	44,366	–	5,331	53,815
At 31 December	67,563	129,401	3,700	64,297	264,961
<u>Net carrying amount</u>					
At 31 December	–	96,126	–	922	97,048
2019					
<u>Cost</u>					
At 1 January	67,563	–	3,700	47,871	119,134
Adoption of SFRS(I) 16	–	225,527	–	18,433	243,960
	67,563	225,527	3,700	66,304	363,094
Disposal/Write-off	–	–	–	(1,085)	(1,085)
At 31 December	67,563	225,527	3,700	65,219	362,009
<u>Accumulated depreciation</u>					
At 1 January	32,845	–	3,700	42,885	79,430
Adoption of SFRS(I) 16	–	40,669	–	10,138	50,807
	32,845	40,669	3,700	53,023	130,237
Depreciation during the year	30,600	44,366	–	6,432	81,398
Disposal/Write-off	–	–	–	(489)	(489)
At 31 December	63,445	85,035	3,700	58,966	211,146
<u>Net carrying amount</u>					
At 31 December	4,118	140,492	–	6,253	150,863

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. Trade and Other Payables

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
<u>Current</u>				
Other payables (a)	624,424	765,559	624,424	765,559
Amounts due to directors (b)	50,000	5,225	50,000	5,225
Deposit payable (d)	164,700	362,120	–	–
Interest payable (c)	464,974	319,606	1,750,635	1,131,329
Accrued operating expenses	251,013	229,656	220,993	199,663
Total trade and other payables	1,555,111	1,682,166	2,646,052	2,101,776

- (a) The Group's other payables include professional fees and general legal advice of S\$620,509 (2019: S\$757,926).
- (b) The amounts due to directors are unsecured, interest-free and repayable on demand in cash.
- (c) Interest payable relates to loan from a shareholder and loan from subsidiary.
- (d) The deposit received from a third party was in relation to a lapsed joint venture agreement, entered for joint development activity in prior year.

21. Borrowings

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
<u>Current</u>				
Loans from bank (a)	499,702	605,276	–	–
<u>Non-current</u>				
Loans from bank (a)	121,228	349,773	–	–
Loan from shareholder (b)	4,832,335	4,832,335	4,832,335	4,832,335
	4,953,563	5,182,108	4,832,335	4,832,335
Total borrowings	5,453,265	5,787,384	4,832,335	4,832,335

- (a) Loans from bank are secured over the Group's freehold land and building (Note 19). The loans from bank bear an interest between 10% and 11% (2019: between 10% and 11%) per annum. The loans will mature in June 2022.
- (b) Loan from shareholder is unsecured and bears interest of 3% (2019: 3%) per annum. The loan will mature on 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. Borrowings (cont'd)

- (c) The reconciliation of movements of the Group's liabilities to the Group's cash flows arising from financing activities is presented below:

	At 1 January S\$	Adoption of SFRS(I) 16 S\$	Cash flows			At 31 December S\$
			Proceeds S\$	Repayments S\$	Non-cash changes S\$	
2020						
Loans from bank	955,049	-	-	(306,645)	(27,474)	620,930
Loan from shareholder	4,832,335	-	-	-	-	4,832,335
Lease liabilities (Note 29)	153,448	-	-	(55,760)	6,892	104,580
	5,940,832	-	-	(362,405)	(20,582)	5,557,845
2019						
Loans from bank	1,140,702	-	-	(216,954)	31,301	955,049
Loan from shareholder	4,532,335	-	300,000	-	-	4,832,335
Lease liabilities (Note 29)	-	197,487	-	(55,560)	11,521	153,448
	5,673,037	197,487	300,000	(272,514)	42,822	5,940,832

22. Defined Benefit Plan

	Group	
	2020 S\$	2019 S\$
Present value of unfunded obligations	971,425	1,252,968

Movements in the present value of the defined benefit obligations during the financial year are as follows:

	Group	
	2020 S\$	2019 S\$
Defined benefit obligations at the beginning of the year	1,252,968	1,011,913
Benefits paid by the plan	(586,186)	(25,196)
Current service costs	92,841	73,439
Excess of benefit paid	110,742	7,541
Interest on obligations	72,569	79,781
Actuarial loss recognised in other comprehensive income	54,596	56,397
Currency translation differences	(26,105)	49,093
Defined benefit obligations at the end of the year	971,425	1,252,968

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. Defined Benefit Plan (cont'd)

The amounts recognised in profit or loss during the financial year are as follows:

	Group	
	2020 S\$	2019 S\$
Current service costs	92,841	73,439
Interest on obligations	72,569	79,781
Amortisation of past services cost – non vested	1,871	340
Excess of benefit paid	110,742	7,541
Total, included in “Employee Benefits” (Note 7)	278,023	161,101

Principal actuarial assumptions at the end of the financial year are as follows:

	Group 2020 and 2019
Valuation method	Projected Unit Credit based on Actuarial Cost Method
Mortality rate	TMI 2019 (2019: TMI 2011)
Discount rate	6.65% (2019: 7.35%)
Future salary increases	10%
Disability rate	1% from TMI 2019 (2019: 1% from TMI 2011)
Resignation rate	3% per annum up to age 25 years old, decrease linearly to 1% per annum at age 45 years old and thereafter
Normal retirement age	55 years old
Retirement rate	100% at normal retirement age

The Group has no significant exposure from changes in the principal actuarial assumptions disclosed above. Thus, no sensitivity analysis is presented.

23. Deferred Taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position as follows:

	Group	
	2020 S\$	2019 S\$
To be settled after one year – Deferred tax assets	(277,649)	(379,708)
Net balance at the end of the year	(277,649)	(379,708)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23. Deferred Taxes (cont'd)

The movements in the deferred tax assets and liabilities (on an aggregated basis) during the financial year are as follows:

	Group	
	2020 S\$	2019 S\$
Balance at the beginning of the year	(379,708)	(308,392)
Tax credited to:		
– profit or loss (Note 10)	101,943	(43,438)
– other comprehensive income	(10,926)	(18,799)
	91,017	(62,237)
Currency translation differences	11,042	(9,079)
Balance at the end of the year	(277,649)	(379,708)

Deferred tax assets are recognised for employee benefit provision and capital allowances carried forward to the extent that realisation of related tax benefits through future taxable profits is probable.

The Group and the Company had the following unrecognised tax losses and capital allowances which can be carried forward and used to offset against future taxable income subject to meeting certain statutory tax requirements by those group entities in their respective countries of incorporation:

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Capital allowances	74,573	74,527	–	–
Tax losses	32,822,644	32,821,876	31,557,393	31,557,393
	32,897,217	32,896,403	31,557,393	31,557,393

The tax losses have no expiry date. The Group's and the Company's deferred tax benefits of approximately S\$5,605,925 and S\$5,364,757 respectively (2019: S\$5,605,779 and S\$5,364,757 respectively) arising from these unutilised tax losses and unabsorbed capital allowances have not been recognised in the financial statements as the Group and the Company have assessed that it is not probable that taxable profits will be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. Share Capital

	Group and Company			
	2020		2019	
	Number of ordinary shares	S\$	Number of ordinary shares	S\$
<i>Ordinary shares issued and fully paid</i>				
Balance at the beginning and end of the year	27,570,762,183	127,338,850	27,570,762,183	127,338,850

(a) Share options

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

At an Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont ESOS 2013, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The Blumont ESOS 2013 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the Blumont ESOS 2013, options may be exercised after the 1st anniversary of the date of grant and before the 5th anniversary of such date of grant for non-executive directors and the 10th anniversary of such date of grant for group employees.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

- (i) fixed at the market price equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or
- (ii) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the market price.

No share options under the Blumont ESOS 2013 have been granted during and as at the financial year ended 31 December 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. Share Capital (cont'd)

(a) Share options (cont'd)

Blumont Performance Share Plan (the "Blumont PSP")

At the Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont PSP, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

The Blumont PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont PSP shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

A participants' award under the Blumont PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Blumont PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the Blumont PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

No incentive share awards under the Blumont PSP have been granted during and as at the financial year ended 31 December 2020 and 2019.

(b) Capital management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital, reserves, accumulated losses and net debts, which includes borrowings net of cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. Share Capital (cont'd)

(b) Capital management (cont'd)

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistently, the Group monitors capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt over adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less income tax and deferred tax liabilities and cash and bank balances. Adjusted capital comprises all components of equity attributable to owners of the Company (i.e. share capital, reserves and accumulated losses).

There were no changes in the Group's approach to capital management during the current and previous financial years.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group's net debt-to-adjusted capital ratio as at the statement of financial position date is as follows:

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Net debt	7,167,026	7,931,276	12,957,944	11,536,843
Total equity	2,982,814	3,708,579	(1,501,220)	49,767
Adjusted capital	10,149,840	11,639,855	11,456,724	11,586,610
Net debt-to-adjusted capital ratio	70.6%	68.1%	113.1%	99.6%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. Reserves

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
(a) Composition:				
Currency translation reserve (i)	(5,829,841)	(5,537,056)	-	-
Other reserves (ii)	1,734,998	1,734,998	-	-
	(4,094,843)	(3,802,058)	-	-

(i) Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Currency translation reserve:				
Balance at the beginning of the year	(5,537,056)	(5,753,264)	-	-
Foreign exchange translation (loss)/gain	(292,785)	216,208	-	-
Balance at the end of the year	(5,829,841)	(5,537,056)	-	-

(ii) Other reserves

The other reserves represent the effects of changes in ownership interests in subsidiaries.

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Other reserves:				
Balance at the beginning and end of the year	1,734,998	1,734,998	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management

The Group's and the Company's activities is exposed to market risk (including currency risk and price risk), credit risk and liquidity risk arising in the normal course of the Group's and the Company's business. The Group's and the Company's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company. Risk management is carried out by the Group's executive management.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rate and equity prices will affect the Group's and the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group and the Company operates internationally and is subject to various currency exposures, primarily with respect to the Indonesian Rupiah ("IDR"), Malaysian Ringgit ("RM"), United States Dollar ("USD") and Australian Dollar ("AUD"). Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

The Group and the Company has certain investments in foreign operations, whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's and the Company's foreign operations in Malaysia and Indonesia are kept at a minimal level. The Group and the Company does not presently hedge this foreign exchange exposure.

Generally, recognised assets and liabilities are denominated in currencies that match the cash flows generated by the underlying operations of the Group and the Company, primarily in Singapore Dollar, IDR, RM, USD and AUD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The Group and the Company monitors exposure of foreign currency risk on an ongoing basis by reviewing the liquid assets and liabilities held in currencies other than the Singapore Dollar to ensure that the net exposure are within acceptable parameters.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) Currency risk (cont'd)

The Group's and the Company's currency exposure based on the information provided to key management as at the statement of financial position date is as follows:

	Singapore Dollar S\$	Indonesian Rupiah S\$	Malaysian Ringgit S\$	Australian Dollar S\$	United States Dollar S\$
2020					
Group					
Trade and other receivables	185,303	333,841	256	-	-
Cash and cash equivalents	222,817	169,327	523,319	-	1,892
Other financial assets	120,060	-	-	199	-
Intra-group receivables	10,694,137	-	493,906	-	-
Trade and other payables	(1,347,640)	(16,089)	(173,231)	(4,930)	(13,221)
Borrowings	(4,832,335)	(620,930)	-	-	-
Lease liabilities	(104,580)	-	-	-	-
Intra-group payables	(6,875,661)	-	(743,592)	-	-
Net financial (liabilities)/ assets	(1,937,899)	(133,851)	100,658	(4,731)	(11,329)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currency	(3,644,311)	133,851	(100,658)	-	-
Currency exposure	(5,582,210)	-	-	(4,731)	(11,329)
Company					
Trade and other receivables	185,303	-	-	-	-
Cash and cash equivalents	215,023	-	-	-	-
Loans to subsidiaries	10,733,221	-	-	-	-
Other financial assets	120,060	-	-	199	-
Loan from a subsidiary	(5,590,000)	-	-	-	-
Borrowings	(4,832,335)	-	-	-	-
Trade and other payables	(2,627,901)	-	-	(4,930)	(13,221)
Lease liabilities	(104,580)	-	-	-	-
Net financial liabilities	(1,901,209)	-	-	(4,731)	(13,221)
Less: Net financial liabilities denominated in the Company's functional currency	1,901,209	-	-	-	-
Currency exposure	-	-	-	(4,731)	(13,221)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) Currency risk (cont'd)

	Singapore Dollar S\$	Indonesian Rupiah S\$	Malaysian Ringgit S\$	Australian Dollar S\$	United States Dollar S\$
2019					
Group					
Trade and other receivables	–	627,941	463	–	–
Cash and cash equivalents	148,634	740,671	53,376	–	2,009
Other financial assets	120,060	–	–	199	–
Intra-group receivables	11,154,338	–	478,933	–	–
Trade and other payables	(1,280,412)	(13,037)	(370,675)	(4,570)	(13,472)
Borrowings	(4,832,335)	(955,049)	–	–	–
Lease liabilities	(153,448)	–	–	–	–
Intra-group payables	(5,401,722)	–	(738,075)	–	–
Net financial (liabilities)/ assets	(244,885)	400,526	(575,978)	(4,371)	(11,463)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currency	(4,337,202)	(400,526)	575,978	–	–
Currency exposure	(4,582,087)	–	–	(4,371)	(11,463)
Company					
Cash and cash equivalents	140,716	–	–	–	–
Loans to subsidiaries	11,194,150	–	–	–	–
Other financial assets	120,060	–	–	199	–
Loan from a subsidiary	(4,590,000)	–	–	–	–
Borrowings	(4,832,335)	–	–	–	–
Trade and other payables	(2,083,734)	–	–	(4,570)	(13,472)
Lease liabilities	(153,448)	–	–	–	–
Net financial liabilities	(204,591)	–	–	(4,371)	(13,472)
Less: Net financial liabilities denominated in the Company's functional currency	204,591	–	–	–	–
Currency exposure	–	–	–	(4,371)	(13,472)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) Currency risk (cont'd)

A 1% strengthening of the Singapore Dollar against the following foreign currencies at the statement of financial position date would (decrease)/increase loss before tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant. The analysis was performed on the same basis for financial year ended 31 December 2020, as indicated below:

	Group		Company	
	Profit before tax S\$	Equity S\$	Loss before tax S\$	Equity S\$
<u>2020</u>				
United States Dollar	113	113	(132)	(132)
Australian Dollar	47	47	(47)	(47)
<u>2019</u>				
United States Dollar	115	115	(135)	(135)
Australian Dollar	44	44	(44)	(44)

A 1% weakening of the Singapore Dollar against the above foreign currencies would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables, in particular interest and tax rates, remain constant.

(ii) Price risk

The Group and the Company is exposed to equity securities price risk from its investments held, which are classified on the statement of financial position as financial assets, at fair value through profit or loss. However, the exposure is not significant to the Group and the Company.

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company, and arises principally from the Group's and the Company's receivables from customers and investment securities.

The carrying amount of financial assets in the statement of financial position represents the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. For trade and other receivables, the Group and the Company has a credit policy in place and monitors credit evaluation and exposure to credit risk on an ongoing basis. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

(i) Trade and other receivables

As disclosed in Note 3(p)(ii), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due.

The Group and the Company does not require any collateral in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic region is as follows:

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Singapore	185,303	–	185,303	–
Malaysia	256	463	–	–
Indonesia	333,841	627,941	–	–
	519,400	628,404	185,303	–

The trade and other receivables of the Group comprised 7 individual debtors (2019: 6 individual debtors) that aggregate represent 54% (2019: 24%) of trade and other receivables. The trade and other receivables of the Company comprised 1 individual debtor (2019: NIL) that represent 100% (2019: NIL) of trade and other receivables.

(ii) Other financial assets

The Group and the Company limits its exposure to credit risk on other financial assets by investing only in liquid marketable securities and with counterparties that have good credit ratings. Management does not expect any counterparty to fail to meet its obligations.

(iii) Cash and bank balances

The Group and the Company held cash and bank balances of S\$917,355 and S\$215,023 respectively as at 31 December 2020 (2019: S\$944,690 and S\$140,716 respectively), which represents their maximum credit exposure on these assets. The cash at bank are held with banks with good credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents was immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

(c) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation.

The Group and the Company monitors its liquidity risk by maintaining sufficient cash and marketable securities and the ability to close out market positions at a short notice. Where necessary, fund raising exercise will be considered through right issues and private placements. Further discussion on the Group's liquidity risk is disclosed in Note 3(b).

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the statement of financial position date based on contractual undiscounted payments.

	Carrying amounts S\$	Contractual amounts S\$	< 1 year S\$	1 – 5 years S\$	> 5 years S\$
Group					
<u>2020</u>					
Trade and other payables	1,304,098	1,304,098	1,304,098	–	–
Borrowings	5,453,265	5,789,463	686,904	5,102,559	–
Lease liabilities	104,580	110,700	52,650	58,050	–
	6,861,943	7,204,261	2,043,652	5,160,609	–
<u>2019</u>					
Trade and other payables	1,452,510	1,452,510	1,452,510	–	–
Borrowings	5,787,384	6,204,217	845,255	5,358,962	–
Lease liabilities	153,448	166,460	55,760	110,700	–
	7,393,342	7,823,187	2,353,525	5,469,662	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

(c) Liquidity Risk (cont'd)

	Carrying amounts S\$	Contractual amounts S\$	< 1 year S\$	1 – 5 years S\$	> 5 years S\$
Company					
<u>2020</u>					
Trade and other payables	2,425,059	2,425,059	2,425,059	–	–
Borrowings	4,832,335	5,122,275	144,970	4,977,305	–
Loan from a subsidiary	5,590,000	5,590,000	5,590,000	–	–
Lease liabilities	104,580	110,700	52,650	58,050	–
	12,951,974	13,248,034	8,212,679	5,035,355	–
<u>2019</u>					
Trade and other payables	1,902,113	1,902,113	1,902,113	–	–
Borrowings	4,832,335	5,122,275	144,970	4,977,305	–
Loan from a subsidiary	4,590,000	4,590,000	4,590,000	–	–
Lease liabilities	153,448	166,460	55,760	110,700	–
	11,477,896	11,780,848	6,692,843	5,088,005	–

(d) Fair Value of the Group's and the Company's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The Group and the Company categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

- (d) Fair Value of the Group's and the Company's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

The following table presents the Group's and the Company's assets and liabilities measured at fair value as at the statement of financial position date by level of the fair value measurement hierarchy:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Group				
<u>2020</u>				
Financial assets at fair value through profit or loss				
– Listed equity securities	120,259	–	–	120,259
<u>2019</u>				
Financial assets at fair value through profit or loss				
– Listed equity securities	120,259	–	–	120,259
Non-financial assets				
– Asset held for sale	–	1,185,120	–	1,185,120
Company				
<u>2020</u>				
Financial assets at fair value through profit or loss				
– Listed equity securities	120,259	–	–	120,259
<u>2019</u>				
Financial assets at fair value through profit or loss				
– Listed equity securities	120,259	–	–	120,259

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices as at the statement of financial position date. The quoted market price used for financial assets held by the Group and the Company is the current bid price. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assess and review the evidence obtained from the third parties to support the conclusion that such valuation meet the requirements of SFRS(I), including the level in fair value hierarchy the resulting fair value estimate should be classified. These financial instruments are included in Level 1.

As at the date of these financial statements, based on the prevailing quoted market prices, the Group's listed security classified under financial assets, at fair value through profit or loss had no fair value gain or loss (2019: Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

- (e) Fair Value of the Group's and the Company's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required)

(i) Non-derivative financial liabilities

The carrying amounts of borrowings approximate its fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar type of lending and borrowing arrangements.

Fair Value of Non-current Borrowings

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Loans from bank	100,188	275,616	–	–

The above fair values of loans from bank were determined from cash flow analyses, discounted at market borrowing rates of an equivalent instrument as at the date of the statement of financial position which management expects to be available to the Group and the Company as follows:

	Group		Company	
	2020	2019	2020	2019
Loans from banks	10.00%	10.00%	–	–

The fair value of the loan from a shareholder and lease liabilities of S\$4,832,335 (2019: S\$4,832,335) and S\$56,248 (2019: S\$104,580) respectively are not considered to be materially different from its carrying amount.

(ii) Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Financial Risk Management (cont'd)

(f) Valuation Policies and Procedures

The Group and the Company has established a control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significantly unobservable inputs and valuation adjustments. If third party confirmation, such as broker quotes or pricing services, is used to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

27. Financial Instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost, fair value through profit or loss and financial liabilities at amortised cost were as follows:

	Group		Company	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Financial assets				
<u>At amortised cost</u>				
Cash and bank balances	917,355	944,690	215,023	140,716
Trade and other receivables	519,400	628,404	185,303	–
	1,436,755	1,573,094	400,326	140,716
<u>Fair value through Profit or Loss</u>				
Other financial assets	120,259	120,259	120,259	120,259
Financial liabilities				
<u>At amortised cost</u>				
Trade and other payables	1,304,098	1,452,510	2,425,059	1,902,113
Borrowings	5,453,265	5,787,384	4,832,335	4,832,335
Loan from a subsidiary	–	–	5,590,000	4,590,000
Lease liabilities	104,580	153,448	104,580	153,448
	6,861,943	7,393,342	12,951,974	11,477,896

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. Related Party Transactions

There are no other related party transactions other than as disclosed in Notes 9, 14, 20 and 21 to these financial statements and below during the current and previous financial years.

Key management compensation

The remuneration of directors of the Company and directors of the Group's subsidiaries, who are the key management personnel of the Group, is as follows:

	Group	
	2020 S\$	2019 S\$
Directors' fees	100,000	104,876
Short-term employee benefits	562,139	579,245
Post-employment benefits	5,940	13,020
	668,079	697,141
<i>Comprised:</i>		
Directors of the Company	426,125	450,974
Directors of the Group's subsidiaries	241,954	246,167
	668,079	697,141

No share options were granted to the directors of the Company during the financial years ended 31 December 2020 and 2019.

29. Lease Liabilities

	Group and Company	
	2020 S\$	2019 S\$
<u>Current</u>		
Buildings	47,291	44,838
Office equipment	1,041	4,030
	48,332	48,868
<u>Non-current</u>		
Buildings	56,248	103,539
Office equipment	-	1,041
	56,248	104,580
Total lease liabilities	104,580	153,448

The reconciliation movements of the Group's lease liabilities to the Group's cash flows arising from financing activities during the year is disclosed in Note 21 and the maturity analysis of lease liabilities is closed in Note 26(c).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. Lease Liabilities (cont'd)

The Group as lessee

(a) Nature of the Group's leasing activities

The Group has entered into leases of its office premise and office equipment. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the assets in good condition.

(b) Carrying amount of right-of-use assets classified within Property and Equipment

	Group and Company	
	2020 S\$	2019 S\$
Buildings	96,126	140,492
Office equipment	922	4,608
	97,048	145,100

There were no additions to right-of-use assets during the financial year.

(c) Amounts recognised in profit or loss

	2020 S\$	2019 S\$
Depreciation charged for the year:		
– Buildings	44,366	44,366
– Office equipment	3,686	3,686
Interest on lease liabilities	6,892	11,521

(d) Other disclosures

	2020 S\$	2019 S\$
Total cash outflow for leases	55,760	55,560

(e) Future cash outflow which are not capitalised in lease liabilities

The lease of office premise contains extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise this extension option. The Group negotiates extension option to optimise operational flexibility in terms of managing the asset used in the Group's operations. The extension option is exercisable by the Group and not by the lessor.

30. Commitments

The Company has given an undertaking to provide continuing financial support to certain subsidiaries of the Group for the next twelve months from the date of authorisation of their financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31. Operating Segments

Management has determined three reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group's reportable segments are as follows:

- Investment holding – investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.
- Sterilisation – providing contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.
- Property – development of property for sale, long-term holding of property for rental and related income.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment (loss)/profit before income tax.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

Information about reportable segments

	Investment holding S\$	Sterilisation S\$	Property S\$	Total S\$
Group				
2020				
External revenues	–	3,495,382	3,869	3,499,251
Segment results	(976,723)	1,962,749	(34,304)	951,722
Interest income	2	4,695	–	4,697
Finance costs	(152,259)	(66,878)	(4)	(219,141)
Depreciation	(53,815)	(594,108)	–	(647,923)
Reportable segment (loss)/profit before income tax	(1,182,795)	1,306,458	(34,308)	89,355
Other material items				
Capital expenditure – property and equipment	–	162,988	–	162,988
Segment assets	834,074	4,852,947	5,102,525	10,789,546
Unallocated assets – deferred tax assets				277,649
Consolidated total assets				11,067,195
Segment liabilities	6,302,705	1,608,445	173,231	8,084,381
Unallocated liabilities – income tax payable				–
Consolidated total liabilities				8,084,381

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31. Operating Segments (cont'd)

Information about reportable segments (cont'd)

Group	Investment holding S\$	Sterilisation S\$	Property S\$	Total S\$
2019				
External revenues	–	4,211,505	86,909	4,298,414
Segment results	(890,629)	2,606,281	12,325	1,727,977
Interest income	1	5,876	–	5,877
Finance costs	(153,265)	(119,543)	(85)	(272,893)
Depreciation	(81,398)	(592,409)	–	(673,807)
Reportable segment (loss)/profit before income tax	(1,125,291)	1,900,205	12,240	787,154
Other material items				
Capital expenditure – property and equipment	–	504,563	–	504,563
Segment assets	428,727	6,129,231	5,815,622	12,373,580
Unallocated assets – deferred tax assets				379,708
Consolidated total assets				12,753,288
Segment liabilities	6,284,237	2,221,054	370,675	8,875,966
Unallocated liabilities – income tax payable				168,743
Consolidated total liabilities				9,044,709

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31. Operating Segments (cont'd)

Geographical segments

The Group's three business segments operate in three main geographical areas – Singapore (country of domicile), Malaysia and Indonesia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets or the underlying investments held.

Geographical information

	External revenues S\$	Non-current assets* S\$
Group		
<u>2020</u>		
Singapore	–	297,048
Malaysia	3,869	4,578,950
Indonesia	3,495,382	4,148,565
	3,499,251	9,024,563
<u>2019</u>		
Singapore	–	150,863
Malaysia	86,909	4,576,173
Indonesia	4,211,505	4,722,561
	4,298,414	9,449,597

* Non-current assets exclude deferred tax assets.

Information about major customers

Included in revenue arising from sterilisation services of approximately S\$3.50 million (2019: S\$4.21 million) are revenues of approximately S\$1.04 million (2019: S\$2.02 million) which arose from sales to the Group's four (2019: eight) largest customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32. Litigation

Suasana Sentral Condominium

On 26 April 2016, the Group was notified that it had on 22 April 2016, been served with a writ of summons (the “Writ of Summons”) and a statement of claim filed in the High Court of Malaya in Kuala Lumpur (the “Legal Proceedings”). The Writ of Summons was filed on behalf of Suresh Kumar (“SK”-First Plaintiff), Vigneswari Ganesan (“VG”-Second Plaintiff) and Libertare Sdn Bhd (Third Plaintiff), collectively known as the “Plaintiffs” against the Group, Onesentral Park Sdn Bhd and Pendaftar Hakmilik Tanah Wilayah Persekutuan Kuala Lumpur (the Land Title Registrar of the Federal Territory of Kuala Lumpur) as the defendants. The Legal Proceedings was triggered due to the strata title registered in the name of and held by one of the Group’s subsidiaries, Raintree Rock Sdn. Bhd. (“Raintree Rock”), for the property at Unit B-37-01 Suasana Sentral Condominium (the “Property”) was a wrong strata title. On the grounds that the Group could not and was not in a position to register and perfect the transfer of the Property in favour of the purchasers (first and second Plaintiffs), the Group terminated the Sale and Purchase Agreement (“SPA”) previously entered into to sell the Property and offered to refund all deposits paid thus far. The first and second Plaintiffs refused to accept the termination and instead filed the Legal Proceedings against the Group.

In the legal proceeding, the Plaintiffs are seeking, *inter alia*, a declaration that the Group and the other defendants take steps to effect rectification of the strata title of the property, an order for specific performance by the Group of the SPA, subject to the Court varying certain terms of the SPA, 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 first and second Plaintiffs, through their Company who is the third Plaintiff, are the tenant of the Property and continue to remain in occupation of the Property despite the termination of the SPA and has been holding over the Property without any payment of rental since January 2016. Hence, the Group has filed a counterclaim against the Plaintiffs for the delivery of vacant possession of the Property and for all unpaid rentals and double rental. The Group has also filed a claim in the counterclaim against the Developer of the Property, i.e. Onesentral Park Sdn Bhd pleading, *inter alia*, negligence by the Developer in the issuance and allocation of the wrong strata title to the wrong unit resulting in damages to the Group. As such, the Group seeks against the Developer for, *inter alia*, an order for rectification of the strata title, an indemnity for all loss and damages as may be suffered by the Group. The Developer is defending the Group’s claims.

The Group successfully rectified the strata title during the financial year ended 31 December 2018. In 2019, the Legal Proceedings in respect of Raintree Rock have concluded as a Consent Judgement from the High Court in Malaysia has been received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32. Litigation (cont'd)

Suasana Sentral Condominium (cont'd)

Based on the Consent Judgement, Raintree Rock will complete the sale of the property to the Plaintiffs at the agreed original selling price of RM3.6 million and the Plaintiffs will pay all outstanding rental to Raintree Rock as well as future rental until the payment for the sale of property is completed.

During the current financial year, the Group has received the repayment of RM3.0 million and associated interest, together with the settlement of the unpaid rentals. Thus, the SPA has been completed and the said property is derecognised in the financial statement.

33. Other Matters

On 2 April 2014, the Company announced that G1 Investments Pte. Ltd., which was previously a wholly owned subsidiary of the Company, has received a notice dated 2 April 2014 from the Commercial Affairs Department of the Singapore Police Force (the "CAD") requiring the subsidiary's assistance with the CAD's investigations into an offence under the Securities and Futures Act, Chapter 289 (the "SFA").

Further to the announcements on 2 April 2014, the Company announced that the Company and G1 Investments Pte. Ltd. have each received notice dated 29 April 2014 from CAD requiring their respective assistances with the CAD's investigations into an offence under the SFA.

There have been no further development or requests from CAD since then up to the date of these financial statements. G1 Investments Pte. Ltd. was struck off the Register of Companies on 4 September 2018.

34. Comparative figures

Reclassification of comparative figures

Reclassification has been made to the prior year's financial statements of the Company to enhance comparability with current year's financial statements.

The reclassifications and restatements are as follows:

	As previously reported S\$	Reclassification S\$	As restated S\$
<u>Statement of financial position</u>			
Development property (current)	4,576,173	(4,576,173)	–
Development property (non-current)	–	4,576,173	4,576,173
<u>Consolidated Statement of Comprehensive Income</u>			
Expenses – others	(1,463,423)	(7,585)	(1,471,008)
Expenses – Impairment losses on financial assets	–	7,585	7,585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

35. Events after reporting period

Shares sales and purchase of Labrador Hill Pte. Ltd.

In November 2020, the Company signed a shares sales and purchase agreement with Eco-Luxe Pte. Ltd. ("Eco-Luxe") to purchase 51,000 shares, representing 51% of the entire issued and fully-paid equity capital of Labrador Hill Pte. Ltd. for a purchase consideration of S\$1,377,000. The purchase is to be completed in two tranches, with the 1st tranche purchase shares of 23,000 shares expected to be completed by 30 March 2021 upon completion of conditions precedent and 2nd tranche purchase shares of 28,000 shares on 2nd tranche completion date, which is a date no later than 6 consecutive months after the completion of 1st tranche purchase. The Company has paid Eco-Luxe S\$200,000 of refundable deposit in financial year ended 2020. The Company is expected to pay S\$300,000 of refundable deposit as part of the conditions precedent, balance consideration of S\$121,000 by completion of 1st tranche purchase and S\$756,000 of 2nd tranche balance consideration on the 2nd tranche purchase completion date.

The Company is actively looking for additional sources of financing to support the plan.

The Company is able to obtain cash from its subsidiaries by way of borrowings or dividends in order to meet its financial obligations in the next 12 months. The ultimate controlling party has also provided a written undertaking to provide financial support to the Company to enable it to meet its financial obligations as and when they fall due for the next 12 months from the date of approval of financial statements of the Company by the Directors.

On 31 March 2021, the 1st tranche purchase is not completed and the Management are in discussions with the parties involved to amend the said agreement.

Impact of COVID-19

In March 2020, the World Health Organisation declared the Coronavirus Disease (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economy and this has impacted the Group's operations and its financial performance.

As the situation evolves, the directors and management do not consider it practicable to provide a quantitative estimate of the potential impact of the outbreak on the Group's subsequent financial statements. Notwithstanding this, the directors and management have assessed that the Group and Company will still be able to maintain sufficient liquidity at least for the next 12 months from the date of authorisation of these financial statements.

36. Authorisation of Financial Statements for Issue

The financial statements of the Group for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 31 March 2021.

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2021

Issued share capital	:	S\$127,338,850
Class of shares	:	Ordinary shares
Number of shares	:	27,570,762,183
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting Rights	:	one vote per share

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders %	No. of Shares Held	Percentage of Shares Held %
1 – 99	56	0.96	615	0.00
100 – 1,000	377	6.48	353,436	0.00
1,001 – 10,000	1,017	17.48	6,541,264	0.02
10,001 – 1,000,000	3,846	66.09	786,206,505	2.85
1,000,001 and above	523	8.99	26,777,660,363	97.13
Total	5,819	100.00	27,570,762,183	100.00

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

Name of Shareholder	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Mark Wee Liang Yee	14,162,024,558	51.37	–	–
Ultimate Horizon Pte Ltd	8,131,184,204	29.49	–	–
Siaw Lu Howe ⁽¹⁾	–	–	8,131,184,204	29.49

⁽¹⁾ Mr Siaw Lu Howe is deemed interested in the shares of the Company held through Ultimate Horizon Pte Ltd.

PUBLIC FLOAT

Based on the information available to the Company as at 12 March 2021, approximately 18.96% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2021

TOP TWENTY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	Percentage %
1	CITIBANK NOMINEES SINGAPORE PTE LTD	14,052,502,751	50.97
2	RAFFLES NOMINEES (PTE) LIMITED	8,220,449,404	29.82
3	UOB KAY HIAN PTE LTD	360,167,008	1.31
4	PHILLIP SECURITIES PTE LTD	350,765,314	1.27
5	OCBC SECURITIES PRIVATE LTD	308,720,598	1.12
6	GOH SEH KIAT	301,628,208	1.09
7	HO BENG SIANG	297,300,000	1.08
8	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	203,389,599	0.74
9	HSBC (SINGAPORE) NOMINEES PTE LTD	182,440,900	0.66
10	DBS NOMINEES PTE LTD	126,376,400	0.46
11	LIM AND TAN SECURITIES PTE LTD	100,866,743	0.37
12	ABN AMRO CLEARING BANK N.V.	90,766,700	0.33
13	MAYBANK KIM ENG SECURITIES PTE. LTD	78,115,813	0.28
14	NG KIM HUATT	65,000,000	0.23
15	TJIONG BOEN NGIAP @ BUSHAR TOMI OR OEY MI LING @ MERY WIDJAYA	54,000,000	0.19
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	37,833,250	0.14
17	FONG CHEE KHUEN	35,000,000	0.13
18	EE KWANSON	31,000,000	0.11
19	SOO NAM YUEN	27,554,400	0.10
20	WONG SIN TING	26,500,000	0.10
	Total:	24,950,377,088	90.50

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of the Company will be held by way of electronic means on Tuesday, 27 April 2021 at 2.00 p.m. for the purpose of transacting the following businesses:

AS ORDINARY BUSINESSES:

- | | | |
|----|--|---------------------|
| 1. | To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors’ Statement and the Auditor’s Report thereon. | Resolution 1 |
| 2. | To approve the payment of Directors’ fees of S\$100,000 for the financial year ending 31 December 2021, payable quarterly in arrears. [FY2020: S\$100,000] | Resolution 2 |
| 3. | To re-elect Mr Tan Gim Kang, Arran, a Director retiring pursuant to Article 110 of the Company’s Constitution.
<i>[See Explanatory Note 1]</i> | Resolution 3 |
| 4. | To re-elect Mr Aris Muhammad Rizal, a Director retiring pursuant to Article 110 of the Company’s Constitution.
<i>[See Explanatory Note 1]</i> | Resolution 4 |
| 5. | To re-elect Mr Alan Chin Yu, a Director retiring pursuant to Article 120 of the Company’s Constitution.
<i>[See Explanatory Note 1]</i> | Resolution 5 |
| 6. | To re-appoint Messrs PKF-CAP LLP as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. | Resolution 6 |
| 7. | To transact any other ordinary business which may properly be transacted at an annual general meeting. | |

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

- | | | |
|----|--|---------------------|
| 8. | Authority to allot and issue shares | Resolution 7 |
|----|--|---------------------|

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual (“**Listing Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company (the “**Directors**”) to (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and (iii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force, provided that:

NOTICE OF ANNUAL GENERAL MEETING

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), or such other limit as may be prescribed by the Listing Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Listing Rules as at the date this Resolution is passed;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;Adjustments in accordance to sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 2]

NOTICE OF ANNUAL GENERAL MEETING

9. Authority to issue shares under the Blumont Employee Share Option Scheme 2013 and the Blumont Performance Share Plan Resolution 8

That authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the Blumont Employee Share Option Scheme 2013 (the “**Blumont ESOS 2013**”) and/or to grant awards in accordance with the Blumont Performance Share Plan (the “**Blumont PSP**”) and allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Blumont ESOS 2013 and/or the vesting of awards under the Blumont PSP, provided always that the aggregate number of additional shares to be allotted and issued pursuant to the Blumont ESOS 2013 and the Blumont PSP shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

[See Explanatory Note 3]

By Order of the Board

Siaw Lu Howe
Non-Executive Chairman

5 April 2021
Singapore

Explanatory Notes:

1. Mr Tan Gim Kang, Arran, an Independent Non-Executive Director of the Company will, upon re-election as a Director, continue to serve as Chairman of the Nominating Committee and remain a member of the Audit and Remuneration Committees. Mr Tan Gim Kang, Arran is considered independent for the purpose of Rule 704(8) of the Listing Rules. Mr Tan Gim Kang, Arran does not have any relationships including immediate family relationships between himself and the Directors, the Company and the substantial shareholders, which may affect his independence.

Mr Aris Muhammad Rizal, an Independent Non-Executive Director of the Company will, upon re-election as a Director, remain a member of the Audit, Nominating and Remuneration Committees. Mr Aris Muhammad Rizal is considered independent for the purpose of Rule 704(8) of the Listing Rules. Mr Aris Muhammad Rizal does not have any relationships including immediate family relationships between himself and the Directors, the Company and the substantial shareholders, which may affect his independence.

Mr Alan Chin Yu, an Executive Director of the Company will, upon re-election as a Director, remain as an Executive Director of the Company. Mr Alan Chin Yu does not have any relationships including immediate family relationships between himself and the Directors, the Company and the substantial shareholders.

Further information on all the abovementioned directors can be found under the section title “Board of Directors”, “Corporate Governance Report” and “Additional Information of Directors nominated for re-election” of the Annual Report 2020.

NOTICE OF ANNUAL GENERAL MEETING

2. Ordinary Resolution 7, if passed, will empower the Directors from the date of this AGM until the date of the next AGM or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares in the capital of the Company and to make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares pursuant to such Instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time Resolution 7 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Resolution 7 is passed and any subsequent consolidation or subdivision of shares.

3. Ordinary Resolution 8, if passed, will empower the Directors to allot and issue shares in the Company of up to a number not exceeding in total fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the exercise of the options under the Blumont ESOS 2013 and vesting of the share awards under Blumont PSP.

Notes:

1. The AGM will be convened and held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of AGM (the “**Notice**”) and the Company’s annual report (“**AR**”) will not be sent to members. Instead, this Notice, Proxy Form and AR will be sent to members by electronic means via publication on the Company’s website at the URL <https://www.blumontgroup.com> and made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM of the Company to be held on Tuesday, 27 April 2021 at 2:00 p.m. are set out in the Company’s announcement dated 5 April 2021 (the “**Announcement**”), which has been uploaded together with this Notice of AGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> on the same day. The Announcement may also be accessed at the Company’s website at URL <https://www.blumontgroup.com>. For the avoidance of doubt, the Announcement is circulated together with and forms part of this Notice of AGM.

In particular, the AGM will be held by way of electronic means and a member of the Company will be able to observe the proceedings of the AGM through a “live” webcast (“**LIVE WEBCAST**”) via his/her/its mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed (“**AUDIO ONLY MEANS**”) via telephone. In order to do so, a member of the Company who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by 2:00 p.m. on 21 April 2021, at the URL <https://complete-corp.com/blumont-agm/>. Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the AGM, by 2:00 p.m. on 26 April 2021.

A member of the Company who registers to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 2:00 p.m. on 21 April 2021 via the following:

- (a) pre-registration link at the URL: <https://complete-corp.com/blumont-agm/>; or
- (b) email to: blumont-agm@complete-corp.com; or
- (c) post to the office of Complete Corporate Services Pte Ltd., 10 Anson Road, #29-07 International Plaza, Singapore 079903

The Company will endeavor to address all substantial and relevant questions received from Shareholders prior to the AGM and publish its response on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and at the Company’s website at the URL <https://www.blumontgroup.com>. Where substantial and relevant questions are unable to be answered prior to the AGM, the Company will address them at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

3. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
 - (a) If sent personally or by post, be lodged at the office of Complete Corporate Services Pte Ltd., 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - (b) If submitted by email, be received by Complete Corporate Services Pte Ltd. at: blumont-agm@complete-corp.com

in either case, by 2:00 p.m. on 25 April 2021, being not less than forty-eight (48) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.
6. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or officer duly authorized. The dispensation of the use of common seal pursuant to the Companies Act (Chapter 50) of Singapore is applicable at this AGM.
7. For investors who hold shares through relevant intermediaries, including CPF and SRS investors, who wish to appoint the Chairman of the AGM as proxy should contact their relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares, to submit their votes at least seven (7) working days before the AGM that is, by 2:00 p.m. on 16 April 2021.

Personal data privacy:

By submitting (a) a proxy form appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, or (b) Shareholder particulars for pre-registration to participate in the AGM via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM or the Announcement, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents, advisers or service providers, as the case may be) for the following purposes:

- (i) processing and administration by the Company (or its agents, advisers or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of pre-registration for participation at the AGM for purpose of granting access to Shareholders to the LIVE WEBCAST or AUDIO ONLY MEANS and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions related to the resolutions to be tabled for approval at the AGM from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents, advisers or service providers, as the case may be) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM. Accordingly, the personal data of a Shareholder (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company for such purpose.

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)
(Incorporated in the Republic of Singapore)

PROXY FORM ANNUAL GENERAL MEETING

This proxy form has been made available on SGXNet and the Company's website and may be accessed at the URL <https://www.blumontgroup.com>. A printed copy of this proxy form will NOT be despatched to members of the Company.

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company's announcement dated 5 April 2021 ("**Announcement**") which has been uploaded together with the Notice of AGM dated 5 April 2021 on SGXNET on the same day. The Announcement may also be accessed at the Company's corporate website at the URL: <https://www.blumontgroup.com>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 5 April 2021 in respect of the AGM.
2. A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. Please read the notes to this proxy form.

*I/We _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)

being a *member/members* of **BLUMONT GROUP LTD.** (the "**Company**", and together with its subsidiaries, the "**Group**"), hereby appoints the Chairman of the annual general meeting of the Company (the "**AGM**"), as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on 27 April 2021 at 2:00 p.m. and at any adjournment thereof. I/We* direct the Chairman of the AGM to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. **If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as my/our* proxy will be treated as invalid.**

All resolutions put to the vote at the AGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy, who is the Chairman of the AGM, not to vote on that Resolution.

No.	Ordinary Resolutions	For	Against	Abstain
1.	Adoption of the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' Statement and the Auditor's Report thereon.			
2.	Approval of payment of Directors' fees of S\$100,000 for the financial year ending 31 December 2021, payable quarterly in arrears.			
3.	Re-election of Mr Tan Gim Kang, Arran as a Director of the Company.			
4.	Re-election of Mr Aris Muhammad Rizal as a Director of the Company.			
5.	Re-election of Mr Alan Chin Yu as a Director of the Company.			
6.	Re-appointment of Messrs PKF-CAP LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
7.	Authority to allot and issue shares.			
8.	Authority to issue shares under the Blumont Employee Share Option Scheme 2013 and the Blumont Performance Share Plan.			

Dated this _____ day of _____ 2021

Total Number of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal of
Corporate Member(s)

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



NOTES FOR PROXY FORM

1. Please insert the total number of shares in the capital of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. The instrument appointing the Chairman of the AGM as proxy must:
 - (a) If sent personally or by post, be lodged at the office of Complete Corporate Services Pte Ltd., 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - (b) If submitted by email, be received by Complete Corporate Services Pte Ltd. at: blumont-agm@complete-corp.comin either case, by 2:00 p.m. on 25 April 2021, being not less than forty-eight (48) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.
4. This proxy form must be under the hand of the appointor or on his/her attorney duly authorised in writing.
 - i. Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to the Companies Act (Chapter 50) is applicable at this AGM.
 - ii. Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. For investors who hold Shares through relevant intermediaries, including CPF and SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors who wish to appoint the Chairman of the AGM as proxy should contact their relevant intermediaries (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) to submit their votes at least seven (7) working days before the AGM, that is by 2.00 p.m. on 16 April 2021.

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2021.

BLUMONT

博诺有限公司

BLUMONT GROUP LTD.

Company Registration No.199302554G

Apex @ Henderson

201 Henderson Road

#03-26/27

Singapore 159545

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