BLUMONT
博诺有限公司

BLUMONT GROUP LTD.
(Company Registration No. 199302554G)
(Incorporated in the Republic of Singapore)

FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2019 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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Unaudited Results for The First Quarter And Three Months Ended 31 March 2019

The Board of Directors of Blumont Group Ltd wishes to announce the following unaudited results of the Group for the first quarter and three months ended 31 March 2019.

1. Consolidated Income Statement

	GROUP S$'000		%
	1Q2019	1Q2018	Increase/ (Decrease)
Revenue	756	892	(15)
Other (losses)/gains – net	(13)	1,009	NM
Expenses			
Raw materials and consumables used	(18)	(18)	NM
Employee benefits	(460)	(469)	(2)
Others	(299)	(398)	(25)
Finance costs	(66)	(50)	32
Total expenses	**(843)**	**(935)**	
(Loss)/profit before income tax	**(100)**	**966**	
Income tax	12	14	(14)
(LOSS)/PROFIT FOR THE PERIOD	**(88)**	**980**	

NM: Not Meaningful

2. Consolidated Statement of Comprehensive Income

	GROUP S$'000		%
	1Q2019	1Q2018	Increase/ (Decrease)
(Loss)/profit for the period	**(88)**	**980**	
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation gain/(loss)			
- on translating foreign operations	111	(1,848)	NM
- reclassified to profit or loss on dissolution of a dormant subsidiary	-	882	NM
Other comprehensive profit/(loss) for the period, net of tax	**111**	**(966)**	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**23**	**14**	
(Loss)/profit for the period attributable to:			
Owners of the Company	(88)	864	NM
Non-controlling interests	-	116	NM
	(88)	**980**	
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company	23	(89)	NM
Non-controlling interests	-	103	NM
	23	**14**	
(Loss)/Profit per share attributable to owners of the Company (expressed in cents)			
- Basic	**(0.0003)**	**0.0031**	**NM**
- Diluted	**(0.0003)**	**0.0031**	**NM**

NM: Not Meaningful

3. Notes to Consolidated Income Statement and Other Comprehensive Income

3a. (Loss)/Profit before income tax is after (charging)/crediting:

	GROUP S$'000		%
	1Q2019	1Q2018	Increase/ (Decrease)
Other (loses)/gains-net comprise of:			
Gain on striking-off of a subsidiary	-	882	NM
Net currency exchange (loss)/gain	(19)	109	NM
Interest income	1	1	NM
Miscellaneous income	5	14	(64)
Other expenses comprise of:			
Depreciation of property and equipment	(151)	(137)	10
Professional fees	46	(14)	NM
Finance costs comprise of:			
Interest expense	(66)	(50)	32
- Bank loan	(31)	(37)	(16)
- Shareholder's loan	(35)	(13)	169
- Others	-	* (-)	NM

NM: Not Meaningful
**: < S$1,000*

3b. Income tax attributable to results is made up of:

	GROUP S$'000		%
	1Q2019	1Q2018	Increase/ (Decrease)
Income tax comprise of:			
Current income tax	-	-	NM
Deferred tax	14	14	NM
	14	**14**	
Under-provision in prior period	(2)	-	NM
	12	**14**	

NM: Not Meaningful

4. Statement of Financial Position

	GROUP S$'000		%	COMPANY S$'000		%
	As at 31/03/2019	As at 31/12/2018	Increase/ (Decrease)	As at 31/03/2019	As at 31/12/2018	Increase/ (Decrease)
ASSETS						
Current assets						
Cash and bank balances	561	674	(17)	59	86	(31)
Other financial assets	120	120	NM	120	120	NM
Trade and other receivables	524	579	(9)	-	-	NM
Other current assets	270	143	89	51	28	82
Development properties	4,618	4,585	1	-	-	NM
Assets held for sale	1,196	1,187	1	-	-	NM
	7,289	**7,288**		**230**	**234**	
Non-current assets						
Investments in subsidiaries	-	-	NM	105	105	NM
Loans to subsidiaries	-	-	NM	11,188	11,132	**
Property and equipment	4,751	4,722	1	34	40	(15)
Deferred tax assets	325	308	6	-	-	NM
	5,076	**5,030**		**11,327**	**11,277**	
Total assets	**12,365**	**12,318**		**11,557**	**11,511**	

4. Statement of Financial Position (Cont'd)

LIABILITIES						
Current liabilities						
Trade and other payables	1,976	2,133	(7)	1,912	2,154	(11)
Borrowings	611	605	1	-	-	NM
Loan from a subsidiary	-	-	NM	3,690	3,390	9
Current income tax liabilities	-	149	NM	-	-	NM
	2,587	**2,887**		**5,602**	**5,544**	
Net current assets/(liabilities)	**4,702**	**4,401**		**(5,372)**	**(5,310)**	
Non-current liabilities						
Defined benefit plan	1,078	1,012	7	-	-	NM
Borrowings	5,326	5,068	5	4,832	4,532	7
	6,404	**6,080**		**4,832**	**4,532**	
Total liabilities	**8,991**	**8,967**		**10,434**	**10,076**	
Net assets	**3,374**	**3,351**		**1,123**	**1,435**	
EQUITY						
Equity attributable to owners of the Company						
Share capital	127,339	127,339	NM	127,339	127,339	NM
Reserves	(3,907)	^(4,018)	(3)	-	-	NM
Accumulated losses	(120,058)	(119,970)	**	(126,216)	(125,904)	**
Total equity	**3,374**	**3,351**		**1,123**	**1,435**	

NM: Not Meaningful
^: Adjusted and audited as at 31 December 2018
***: <1%*

4a. Aggregate amount of Group's borrowings and debt securities.

Amount repayable not later than one year				Amount repayable after one year			
As at 31/03/2019		As at 31/12/2018		As at 31/03/2019		As at 31/12/2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
611	-	605	-	494	4,832	536	4,532

Details of any collateral

Pertaining to the secured borrowings as at 31 March 2019, the Group has loans from banks secured by the land and building of PT Rel-ion Sterilization Services granted in favour of the lender.

5. Consolidated Statement of Cash Flows

	GROUP S$'000	
	1Q2019	1Q2018
Cash Flows from Operating Activities		
(Loss)/profit before income tax	(100)	966
Adjustments for:		
Unrealised foreign exchange loss/(gain)	26	(31)
Depreciation of property and equipment	151	137
Interest expense	66	50
Interest income	(1)	(1)
Gain on dissolution of a dormant subsidiary	-	(882)
Gain on disposal of property and equipment	-	* (-)
Property and equipment written off	-	* -
Operating cash flows before working capital changes	**142**	**239**
Changes in operating assets and liabilities		
Receivables	(61)	(92)
Payables	(142)	(10)
Cash (used in)/generated from operations	**(61)**	**137**
Income tax paid	(153)	(297)
Net cash used in operating activities	**(214)**	**(160)**

5. Consolidated Statement of Cash Flows (Cont'd)

Cash Flows from Investing Activities		
Purchase of property and equipment	(136)	(178)
Interest received	1	1
Proceeds from disposal of property and equipment	-	* -
Net cash used in investing activities	**(135)**	**(177)**
Cash Flows from Financing Activities		
Repayment of borrowings	(36)	(89)
Proceeds from borrowings	300	700
Interest paid	(32)	(33)
Net cash generated from financing activities	**232**	**578**
Net (decrease)/increase in cash and cash equivalents	(117)	241
Cash and cash equivalents at the beginning of the period	674	930
Effect of changes in foreign exchange rates on cash and cash equivalents	4	(18)
Cash and cash equivalents at the end of the period	**561**	**1,153**

**: < S$1,000*

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 2019 S$'000	Cash flows Proceeds S$'000	Cash flows Repayments S$'000	Non-cash changes S$'000	At 31 March 2019 S$'000
Loans from banks	1,141	-	(36)	-	1,105
Loan from a shareholder	4,532	300	-	-	4,832
	5,673	300	(36)	-	5,937
Classified as:					
Current borrowings	605				611
Non-current borrowings	5,068				5,326
	5,673				5,937

6. Statement of Changes in Equity

6a. Statement of Changes in Equity for the Group

	Attributable to owners of the Company						
	Share capital	Currency translation reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
1Q2019							
Balance at 1 January 2019	127,339	(5,753)	1,735	(119,970)	3,351	-	3,351
Loss for the period	-	-	-	(88)	(88)	-	(88)
Other comprehensive income, net of tax:						-	
Foreign currency translation gain	-	111	-	-	111	-	111
Total comprehensive income/(loss) for the period	**-**	**111**	**-**	**(88)**	**23**	**-**	**23**
Balance at 31 March 2019	**127,339**	**(5,642)**	**1,735**	**(120,058)**	**3,374**	**-**	**3,374**
1Q2018							
Balance at 1 January 2018	127,339	(4,585)	(22)	(119,862)	2,870	2,850	5,720
Profit for the period	-	-	-	864	864	116	980
Other comprehensive (loss)/income, net of tax:							
Foreign currency translation:							
- Loss on translating foreign operations	-	(1,835)	-	-	(1,835)	(13)	(1,848)
- Reclassified to profit or loss on striking-off of a subsidiary	-	882	-	-	882	-	882
Total comprehensive (loss)/income for the period	**-**	**(953)**	**-**	**864**	**(89)**	**103**	**14**
Balance at 31 March 2018	**127,339**	**(5,538)**	**(22)**	**(118,998)**	**2,781**	**2,953**	**5,734**

6b. Statement of Changes in Equity for the Company

	Share capital	Accumulated losses	Total equity
	S$'000	S$'000	S$'000
1Q2019			
Balance at 1 January 2019	127,339	(125,904)	1,435
Loss for the period	-	(312)	(312)
Total comprehensive loss for the period	**-**	**(312)**	**(312)**
Balance at 31 March 2019	**127,339**	**(126,216)**	**1,123**
1Q2018			
Balance at 1 January 2018	127,339	(124,446)	2,893
Loss for the period	-	(325)	(325)
Total comprehensive loss for the period	**-**	**(325)**	**(325)**
Balance at 31 March 2018	**127,339**	**(124,771)**	**2,568**

6c. Changes in the Company's share capital

Issued and paid up share capital

	No. of shares	Amount S$
As at 31 March 2019	27,570,762,183	127,338,850

As at 31 March 2019, the Company did not hold any treasury shares (31 March 2018: Nil).

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

No share options under the Blumont ESOS 2013 have been granted for the first quarter and three months ended 31 March 2019 (31 March 2018: Nil).

Performance Share Plan ("Blumont PSP")

No incentive share awards under the Blumont PSP have been granted for the first quarter and three months ended 31 March 2019 (31 March 2018: Nil).

7. Audit Statement

7a. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

7b. Where the figures have been audited or reviewed, the independent auditor's report (including any qualifications or emphasis of a matter).

Not applicable.

8. Changes in Accounting Policies

8a. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those as disclosed under paragraph 8b.

8b. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Singapore-incorporated companies listed on the Singapore Exchange are required to apply Singapore Financial Reporting Standards (International) ("SFRS(I)") for annual periods beginning on or after 1 January 2019. The Group has adopted SFRS(I) and has prepared its first set of financial information under SFRS(I) for the financial year ending 31 December 2018.

Description		Effective for annual periods beginning on or after
SFRS(I) 16	*Leases*	1 January 2019
SFRS(I) INT 23	*Uncertainty over Income Tax Treatments*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle		
- Amendments to SFRS(I) 3	*Business Combinations*	1 January 2019
- Amendments to SFRS(I) 1-12	*Income Taxes*	1 January 2019
- Amendments to SFRS(I) 1-23	*Borrowing Costs*	1 January 2019
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
- Amendments to SFRS(I) 3	*Business Combinations*	1 January 2020

Except for amendments to SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

SFRS(I) 16 *Leases*

The Group adopted SFRS(I) 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group elected the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 January 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 December 2018. The Group adopted an expedient offered by SFRS(I) 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

The implementation of this standard has not had a significant impact on the financial statement of the Group.

9. (Loss)/Profit Per Ordinary Share

	GROUP	
(Loss)/Profit per share for (loss)/profit attributable to the owners of the Company	**1Q2019**	**1Q2018**
(i) On the weighted average number of ordinary shares in-issue (in cents)	(0.0003)	0.0031
- Weighted average number of shares	27,570,762,183	27,570,762,183
(ii) On a fully diluted basis (in cents)	(0.0003)	0.0031
- Adjusted weighted average number of shares	27,570,762,183	27,525,762,183

10. Net Asset Value Per Ordinary Share

	GROUP		COMPANY	
	As at 31/03/2019	**As at 31/12/2018**	**As at 31/03/2019**	**As at 31/12/2018**
Net asset value per ordinary share based on issued share capital at the end of the financial year (owners of the Company) (in cents)	0.012	0.012	0.004	0.005

11. Review of Group's Performance

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

Statement of Profit or Loss

Revenue

Revenue decreased by S$0.13 million to S$0.76 million for 1Q2019 (1Q2018: S$0.89 million), mainly due to lower income from sterilization contracts.

11. Review of Group's Performance (Cont'd)

Other (losses)/gains - net

Other losses was S$0.01 million for 1Q2019, mainly due to currency exchange loss of S$0.13 million in 1Q2019. This was contrasted with the gain on dissolution of a dormant subsidiary, Powerlite Ventures Limited ("Powerlite") of S$0.88 million and currency exchange gain S$0.1 million in 1Q2018.

Expenses

Other expenses decreased by S$0.10 million or 25%, from S$0.40 million for 1Q2018 to S$0.30 million for 1Q2019, mainly due to lower rental and professional fees rebate given in 1Q2019.

Finance costs increased by S$0.02 million to S$0.07 million in 1Q2019 (1Q2018: S$0.05 million), mainly due to interest loan on additional shareholder's loan.

Other Comprehensive Income/(loss)

Foreign currency translation gain on translating foreign operations of S$0.11 million for 1Q2019 (1Q2018: foreign currency translation loss on translating foreign operations of S$1.85 million) relates to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rate*.

In 1Q2018, the Group reclassified foreign translation of S$0.88 million resulting from dissolution of a dormant subsidiary to profit or loss in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rate*.

Commentary on the Statement of Financial Position

Cash and bank balances decreased by S$0.11 million or 17% from S$0.67 million as at 31 December 2018 to S$0.56 million as at 31 March 2019, mainly due to purchase of property and equipment during the period.

Other current assets increased by S$0.13 million or 89% from S$0.14 million as at 31 December 2018 to S$0.27 million as at 31 March 2019, mainly due to prepayments for tax and professional fees in 1Q2019.

12. Variance from Previous Forecast / Prospect Statement

Not applicable as there is no forecast or prospect statement previously disclosed to shareholders.

13. Outlook and Prospects

The performance of the sterilisation segment of the Group has been consistent. Barring any unforeseen circumstances, we do not expect any substantial variation in its performance.

The Group's investment holding segment including quoted equity investment classified as the financial assets at fair value through profit or loss, ties to the changes in the financial market and global economy with uncertainty and volatility in the investment outlook.

Below are updates on the Group's operations:

(a) Proposed acquisition of Samadhi Retreats Pte Ltd

On 16 July 2018, the Company entered into a conditional sale and purchase agreement with Asaro Federico and Baffyn International Corp in respect of the proposed acquisition of all the 100 ordinary shares representing the entire issued and paid-up capital of Samadhi Retreats Pte Ltd (the "Sale Shares") for an aggregate consideration of S$43.8 million (the "Proposed Acquisition").

On 16 October 2018, it was announced that the supplemental sale and purchase agreement was to amend, modify and supplement, *inter alia*, the principal terms of the sales and purchase agreement (SPA). The proposed acquisition shall be revised to the sum of S$35 million. Samadhi Retreats (Private) Limited and Cheeva Na Tara Company Limited will not be included in the Samadhi Group acquisitions as they have yet to commence any businesses or operations.

13. Outlook and Prospects (Cont'd)

(a) Proposed acquisition of Samadhi Retreats Pte Ltd (Cont'd)

The Proposed Acquisition constitutes a major transaction under Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited, and may change profile of the Company as it represents a diversification of the scope of the existing business of the Group (the "Proposed Diversification"). Accordingly, the Proposed Acquisition is subject to the approval of the shareholders of the Company ("Shareholders").

The Company will convene an extraordinary general meeting ("EGM") to seek the approval of Shareholders for the Proposed Acquisition. The circular containing inter alia, further information on the Proposed Acquisition and the Proposed Diversification and enclosing the notice of EGM therewith, will be despatched by the Company to Shareholders in due course.

On 4 April 2019, the Company announced that the Conditions Precedent have not been fulfilled or waived by the extended long-stop date of 31 March 2019. The Company is currently in the midst of negotiations with the Vendors on the Proposed Acquisition but have yet to agree on any further extension of time for Completion.

The Company will make such further announcements at the appropriate juncture, as and when there are material developments in relation to the Proposed Acquisition.

(b) Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd ("Raintree")

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

The high court has directed the parties to explore the possibility of reaching an amicable settlement. The next case management has been scheduled on 13 May 2019 for the parties to update the Court on the status of settlement and documentation for full trial hearing in July 2019 if there is no settlement.

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

14. Dividend

(a) Current Financial Period Reported On.
Any dividend declared for the current financial period reported on?
No.

(b) Corresponding Period of the Immediately Preceding Financial Year.
Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date payable
Not applicable.

(d) Books closure date
Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect.
The Board of Directors does not recommend any payment of dividends for the first quarter and three months ended 31 March 2019.

15. General Mandate from Shareholders for Interested Party Transactions

No general mandate for Interested Party Transactions has been obtained from the shareholders.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first quarter and three months ended 31 March 2019 to be false or misleading.

On behalf of the Board of Directors

Lee Tak Meng Chief Executive Officer and Executive Director	Ng Keok Chai Lead Independent Director

17. Confirmation Pursuant to Rule 720(1) of the listing manual.

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

BY ORDER OF THE BOARD
Blumont Group Ltd.

Lee Tak Meng
Chief Executive Officer and Executive Director
7 May 2019