



**SOUTHERN ARCHIPELAGO LTD.**  
*(formerly known as Blumont Group Ltd.)*  
(Company Registration No. 199302554G)  
(Incorporated in the Republic of Singapore)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	GROUP		% Increase/ (Decrease)
		S\$'000		
		1H2024	1H2023	
Revenue	5	2,337	2,696	(13)
Other gains/(losses) – net	6	324	(154)	(310)
Interest income		10	27	(63)
Expenses				
Raw materials and consumables used		(34)	(41)	(17)
Employee benefits	7	(1,055)	(1,724)	(39)
Depreciation of property and equipment		(325)	(352)	(8)
Others	8	(857)	(619)	38
Finance costs	9	(117)	(120)	(3)
<b>Total expenses</b>		<b>(2,388)</b>	<b>(2,856)</b>	
<b>Profit/(Loss) before income tax</b>		<b>283</b>	<b>(287)</b>	
Income tax expense	10	(259)	(229)	13
<b>PROFIT/(LOSS) FOR THE PERIOD, NET OF TAX</b>		<b>24</b>	<b>(516)</b>	
<b>Other comprehensive (loss)/income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation (loss)/gain				
- (Loss)/Gain on translating foreign operations		(432)	468	(192)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>		<b>(408)</b>	<b>(48)</b>	
<b>Profit/(Loss) for the period attributable to owners of the Company</b>		<b>24</b>	<b>(516)</b>	
<b>Total comprehensive loss for the period attributable to owners of the Company</b>		<b>(408)</b>	<b>(48)</b>	
<b><u>Profit/(Loss) per share for the period attributable to the owners of the Company during the period (in cents)</u></b>		<b>S\$</b>		
- Basic		0.0001	(0.0019)	
- Diluted		0.0001	(0.0019)	

**Condensed Interim Statements of Financial Position**

	Note	GROUP S\$'000		COMPANY S\$'000	
		As at 30/06/2024	As at 31/12/2023	As at 30/06/2024	As at 31/12/2023
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		1,564	3,080	365	375
Trade and other receivables	11	466	437	21	20
Other assets	12	282	152	63	33
Income tax receivable		107	-	-	-
		<b>2,419</b>	<b>3,669</b>	<b>449</b>	<b>428</b>
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	91	91
Investment in associate	13	-	-	-	-
Loans to subsidiaries		-	-	6,256	6,227
Property and equipment	14	6,808	4,946	155	197
Deferred tax assets		287	272	-	-
		<b>7,095</b>	<b>5,218</b>	<b>6,502</b>	<b>6,515</b>
<b>Total assets</b>		<b>9,514</b>	<b>8,887</b>	<b>6,951</b>	<b>6,943</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	15	533	522	3,572	3,311
Borrowings	16	4,082	3,372	3,622	3,182
Loan from a subsidiary		-	-	5,590	5,590
Lease liabilities		83	80	83	80
Income tax payable		-	175	-	-
		<b>4,698</b>	<b>4,149</b>	<b>12,867</b>	<b>12,163</b>
<b>Net current liabilities</b>		<b>(2,279)</b>	<b>(480)</b>	<b>(12,418)</b>	<b>(11,735)</b>
<b>Non-current liabilities</b>					
Lease liabilities		66	109	66	109
Defined benefit plan		1,004	975	-	-
Borrowings	16	1,363	863	-	-
		<b>2,433</b>	<b>1,947</b>	<b>66</b>	<b>109</b>
<b>Total liabilities</b>		<b>7,131</b>	<b>6,096</b>	<b>12,933</b>	<b>12,272</b>
<b>Net assets/(liabilities)</b>		<b>2,383</b>	<b>2,791</b>	<b>(5,982)</b>	<b>(5,329)</b>
<b>EQUITY</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	17	127,339	127,339	127,339	127,339
Reserves	18	1,084	1,516	4,619	4,619
Accumulated losses		(126,040)	(126,064)	(137,940)	(137,287)
<b>Total equity</b>		<b>2,383</b>	<b>2,791</b>	<b>(5,982)</b>	<b>(5,329)</b>



## Condensed Interim Statements of Changes in Equity

### Group

	Attributable to owners of the Company					Total S\$'000
	Share capital S\$'000	Share option reserve S\$'000	Currency translation reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	
<b>1H2024</b>						
Balance at 1 January 2024	127,339	4,619	(4,838)	1,735	(126,064)	2,791
Profit for the period	-	-	-	-	24	24
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(432)	-	-	(432)
<b>Total comprehensive loss for the period</b>	-	-	<b>(432)</b>	-	<b>24</b>	<b>(408)</b>
<b>Balance at 30 June 2024</b>	<b>127,339</b>	<b>4,619</b>	<b>(5,270)</b>	<b>1,735</b>	<b>(126,040)</b>	<b>2,383</b>
<b>1H2023</b>						
Balance at 1 January 2023	127,339	4,089	(4,457)	1,735	(126,077)	2,629
Loss for the period	-	-	-	-	(516)	(516)
Other comprehensive income, net of tax:						
Foreign currency translation gain	-	-	468	-	-	468
<b>Total comprehensive loss for the period</b>	-	-	<b>468</b>	-	<b>(516)</b>	<b>(48)</b>
Share based payment	-	530	-	-	-	530
<b>Balance at 30 June 2023</b>	<b>127,339</b>	<b>4,619</b>	<b>(3,989)</b>	<b>1,735</b>	<b>(126,593)</b>	<b>3,111</b>

### Company

	Share capital	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H2024</b>				
Balance at 1 January 2024	127,339	4,619	(137,287)	(5,329)
Loss for the period	-	-	(653)	(653)
<b>Total comprehensive loss for the period</b>	-	-	<b>(653)</b>	<b>(653)</b>
<b>Balance at 30 June 2024</b>	<b>127,339</b>	<b>4,619</b>	<b>(137,940)</b>	<b>(5,982)</b>
<b>1H2023</b>				
Balance at 1 January 2023	127,339	4,089	(136,102)	(4,674)
Loss for the period	-	-	(1,192)	(1,192)
<b>Total comprehensive loss for the period</b>	-	-	<b>(1,192)</b>	<b>(1,192)</b>
Share based payment	-	530	-	530
<b>Balance at 30 June 2023</b>	<b>127,339</b>	<b>4,619</b>	<b>(137,294)</b>	<b>(5,336)</b>

## **SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate Information**

Southern Archipelago Ltd. (formerly known as 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”). These condensed interim consolidated financial statements as at and for the six-month ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are sterilisation and polymerisation services, hospitality management and property development.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted by the Group are consistent with those used in its most recent audited financial statements, except for the adoption of new and amended standards as set out in Note 2.1.

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

As at 30 June 2024, the Group and Company are in a net current liability position of S\$2,279,000 and S\$12,418,000 (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 period ended 30 June 2024 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. In addition, the Group’s sterilisation business segment is in the process of expanding its business capacity and expect the business to continue to grow and generate positive operating cashflow;
- The Board and management continue to explore business opportunities through acquisitions joint ventures, strategic alliances and foster partnerships with various third parties in the industries to undertake the hospitality and wellness businesses; and
- The Board and the management are currently exploring possible fundraising options to secure financing commitments to allow the Company to have access to additional working capital where required, including but not limited to bank loans, additional shareholders’ loan, extension of shareholder’s loan and loan from subsidiaries and fund raising from its shareholders.

Management has assessed the cash flow forecasts of the Group and Company for the next 12 months and concluded that there will be sufficient cash flows and resources to allow the Group and Company to continue its operations and meet its obligations for the foreseeable future. The Board has assessed the ability of the Group and Company to meet its short-term obligations as and when it falls due and is also of the opinion that the Group and Company will be able to raise the necessary funds for its working capital purposes when required.

#### **2.1 New and Amended Standards Adopted by the Group**

The adoption of various new/revised SFRS(I)s effective for the financial year beginning on 1 January 2024 does not have a material financial effect on the Group and the Company.

#### **2.2 Use of Judgements and Estimates**

In preparing the condensed interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

## 2.2 Use of Judgements and Estimates (con't)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### (a) Critical judgments in applying accounting policies

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.

#### (ii) Impairment of investment in an associate

Investment in an associate is tested for impairment whenever there is any objective evidence or indication that the investment may be impaired. The recoverable amount of the investment in an associate is determined based on the higher of fair value less costs of disposal and value in use.

#### (iii) Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("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.

#### (iv) 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.

## 2.2 Use of Judgements and Estimates (con't)

### (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.

The Group obtains external, independent actuarial report annually. The actuarial gain/(loss) will be assessed during year end.

## 3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## 4. Segment and Revenue Information

The Group is organised into four main business segments:

- 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 – long-term holding of properties for rental and related income.
- Hospitality and wellness – provision of hotel management and wellness services.



#### 4.1 Reportable Segments

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
<b>1 January 2024 to 30 June 2024</b>					
<b>External revenues</b>	-	2,337	-	-	2,337
Segment results	(649)	1,373	(7)	(2)	715
Interest income	-*	10	-	-	10
Finance costs	(79)	(38)	-	-	(117)
Depreciation	(43)	(282)	-	-	(325)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(771)</b>	<b>1,063</b>	<b>(7)</b>	<b>(2)</b>	<b>283</b>
<b>Other material item</b>					
Capital expenditure - property and equipment	1	2,356	-	-	2,357
<b>Segment assets</b>	<b>691</b>	<b>8,513</b>	<b>7</b>	<b>16</b>	<b>9,227</b>
Unallocated assets – deferred tax assets					287
<b>Consolidated total assets</b>					<b>9,514</b>
<b>Segment liabilities</b>	<b>4,274</b>	<b>2,849</b>	<b>3</b>	<b>5</b>	<b>7,131</b>
<b>Consolidated total liabilities</b>					<b>7,131</b>

\*: < S\$1,000

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
<b>1 January 2023 to 30 June 2023</b>					
<b>External revenues</b>	-	2,696	-	-	2,696
Segment results	(1,264)	1,213	(5)	214	158
Interest income	6	21	-	-	27
Finance costs	(74)	(46)	-	-	(120)
Depreciation	(42)	(310)	-	-	(352)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(1,374)</b>	<b>878</b>	<b>(5)</b>	<b>214</b>	<b>(287)</b>
<b>Other material item</b>					
Capital expenditure - property and equipment	235	172	-	-	407
<b>Segment assets</b>	<b>1,257</b>	<b>7,773</b>	<b>4</b>	<b>11</b>	<b>9,045</b>
Unallocated assets – deferred tax assets					274
<b>Consolidated total assets</b>					<b>9,319</b>
<b>Segment liabilities</b>	<b>3,957</b>	<b>2,151</b>	<b>3</b>	<b>6</b>	<b>6,117</b>
Unallocated liabilities - current income tax liabilities					91
<b>Consolidated total liabilities</b>					<b>6,208</b>

## 4.2 Geographical Information

### As at 30 June 2024

	External Revenues S\$'000	Non-current assets <sup>^^</sup> S\$'000
Singapore	-	155
Indonesia	2,337	6,653
	<u>2,337</u>	<u>6,808</u>

### As at 30 June 2023

	External Revenues S\$'000	Non-current assets <sup>^^</sup> S\$'000
Singapore	-	240
Indonesia	2,696	4,183
	<u>2,696</u>	<u>4,423</u>

<sup>^^</sup> : Non-current assets exclude deferred tax assets

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.

## 5. Revenue

	Group	
	<u>6 months ended 30 Jun 2024</u> S\$'000	<u>6 months ended 30 Jun 2023</u> S\$'000
Revenue from sterilisation services	<u>2,337</u>	<u>2,696</u>

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

## 6. Other Gains/(Losses) - Net

	Group	
	<u>6 months ended 30 Jun 2024</u> S\$'000	<u>6 months ended 30 Jun 2023</u> S\$'000
Currency exchange gain/(loss) – net	307	(178)
Loss on property and equipment written off	-	(1)
Miscellaneous income	17	25
	<u>324</u>	<u>(154)</u>

## 7. Employee Benefits

	Group	
	<u>6 months</u> <u>ended</u> <u>30 Jun 2024</u> S\$'000	<u>6 months</u> <u>ended</u> <u>30 Jun 2023</u> S\$'000
Short-term employee benefits	963	1,091
Contribution to defined contribution plans	21	19
Defined benefits plans	71	84
Share-based payment expense	-	530
	<u>1,055</u>	<u>1,724</u>
<i>Comprised:</i>		
Directors of the Company	169	320
Directors of the Group's subsidiaries	<u>160</u>	<u>183</u>

## 8. Other Expenses

	Group	
	<u>6 months</u> <u>ended</u> <u>30 Jun 2024</u> S\$'000	<u>6 months</u> <u>ended</u> <u>30 Jun 2023</u> S\$'000
Audit fees:		
- auditor of the Company	47	40
- other auditors	4	5
Loss allowance on trade receivables	-	5
Legal, professional and consultancy fees	75	58
Upkeep expenses	57	105
Directors' fees	52	52
Travelling expenses	56	50
Postage and telecommunication expenses	7	8
Printing and stationery expenses	16	7
Staff training and welfare expenses	65	40
Marketing and advertising	10	16
Provision for withholding tax expense	51	51
Sundry expenses	1	1
SGX expenses	18	18
Expenses incurred for disposal of cobalt waste	126	-
Others	272	163
	<u>857</u>	<u>619</u>

## 9. Finance Costs

	Group	
	<u>6 months</u> <u>ended</u> <u>30 Jun 2024</u> S\$'000	<u>6 months</u> <u>ended</u> <u>30 Jun 2023</u> S\$'000
Interest expense		
- loans from banks	97	102
- loans from shareholders	16	14
- lease liabilities	4	4
	<u>117</u>	<u>120</u>

## 10. Income Tax Expense

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	<u>6 months ended</u> <u>30 Jun 2024</u> S\$'000	<u>6 months ended</u> <u>30 Jun 2023</u> S\$'000
Income tax expense comprised:		
Current income tax expense	282	226
Deferred tax	(23)	3
	<u>259</u>	<u>229</u>

## 11. Trade and Other Receivables

	Group		Company	
	<u>As at 30 Jun 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 30 Jun 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
Trade receivables				
- third parties (a)	305	278	-	-
Less: Loss allowance	-*	(5)	-	-
Trade receivables - net	<u>305</u>	<u>273</u>	<u>-</u>	<u>-</u>
Other receivables - third parties	161	164	21	20
Total trade and other receivables	<u>466</u>	<u>437</u>	<u>21</u>	<u>20</u>

\*: < S\$1,000

(a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days (2023: 30 to 60 days).

## 12. Other Assets

	Group		Company	
	<u>As at 30 Jun 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 30 Jun 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
Deposits	26	26	24	24
Prepayments	256	126	39	9
Total other assets	<u>282</u>	<u>152</u>	<u>63</u>	<u>33</u>

### 13. Investment in Associate

	Group		Company	
	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000
Balance at the beginning of the period/year	364	594	729	729
Share of loss of associate	(259)	(230)	-	-
Balance at the end of the period/year	105	364	729	729
Less: Allowance for impairment loss	(105)	(364)	(729)	(729)
	-	-	-	-

As at 30 June 2024, the Group and the Company has fully impaired its investment in an associate to profit or loss, the recoverable amount of which was determined to be S\$Nil on the basis that the associate is in a net total liability position as at 30 June 2024.

### 14. Property and Equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to S\$2,357,000 (30 June 2023: S\$407,000).

### 15. Trade and Other Payables

	Group		Company	
	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000
<u>Current</u>				
Other payables	26	54	26	51
Deposit payable	*	*	-	-
Interest payable (a)	202	186	3,283	3,011
Amount due to directors	31	-	31	-
Accrued operating expenses	274	282	232	249
Total trade and other payables	533	522	3,572	3,311

\*: < S\$1,000

(a) Interest payable relates to loan from a shareholder and loan from a subsidiary.

### 16. Borrowings

	Group		Company	
	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000
<u>Current</u>				
Secured - Loans from bank (a)	460	190	-	-
Unsecured - Loans from bank (b)	1,750	1,800	1,750	1,800
Unsecured - Loans from shareholders (c)	1,872	1,382	1,872	1,382
	4,082	3,372	3,622	3,182
<u>Non-current</u>				
Secured - Loans from bank (a)	1,363	863	-	-
Total borrowings	5,445	4,235	3,622	3,182

(a) Loans from banks are secured over the Group's freehold land and building. The loans from banks bear an interest of 7.75% (2023: between 8.0% and 9.0%) per annum.

(b) Loans from banks are unsecured and bears interest of 2.5% plus bank's Cost of Funds.

(c) Loans from shareholders are unsecured and bears interest of between 2% to 4.5% per annum and 4.65% per week (2023: 2% per annum).

## 17. Share Capital

Beginning and end of period/year	Group and Company			
	As at 30 June 2024		As at 31 Dec 2023	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
	27,570,762,183	127,339	27,570,762,183	127,339

The Company did not hold any treasury shares as at 30 June 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

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

The Company announced that on 17 June 2021, the Company has made grants of options in respect of ordinary shares in the capital of the Company pursuant to the Company's Employee Share Option Scheme 2013 to various persons. Total number of shares under Options granted is 1,160,000,00 which 580,000,000 were granted as Market Price Options of S\$0.004 per ordinary share and 580,000,000 were granted as Discounted Options of S\$0.0032 per ordinary share. The grant and exercise of these Options under the Blumont ESOS 2013 are subjected to the acceptances of the various persons granted the Options under the Blumont ESOS 2013.

As at 30 June 2024, Blumont ESOS 2013 has expired and there were outstanding options for conversion into 1,160,000,00 (31 Dec 2023: 1,160,000,00) ordinary shares.

### Southern Archipelago Employee Share Option Scheme 2023 ("SAL ESOS 2023") and Performance Share Plan 2023 ("SAL PSP 2023")

No share options under the SAL ESOS 2023 and incentive share awards under the SAL PSP 2023 have been granted for the six months ended 30 June 2024 (31 Dec 2023: Nil).

## 18. Reserves

Composition:	Group		Company	
	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000	As at 30 Jun 2024 S\$'000	As at 31 Dec 2023 S\$'000
Currency translation reserve	(5,270)	(4,838)	-	-
Other reserves	1,735	1,735	-	-
Share option reserve	4,619	4,619	4,619	4,619
	1,084	1,516	4,619	4,619

## 19. Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 20. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2024 and 31 December 2023.

	Group		Company	
	<u>As at 30 Jun 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 30 Jun 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
<b>Financial assets</b>				
<u>At amortised cost</u>				
Cash and bank balances	1,564	3,080	365	375
Trade and other receivables	466	437	21	20
Loans to subsidiaries	-	-	6,256	6,227
Other assets (deposits)	26	26	24	24
<b>Total</b>	<b>2,056</b>	<b>3,543</b>	<b>6,666</b>	<b>6,646</b>

### Financial liabilities

<u>At amortised cost</u>				
Trade and other payables	533	522	3,572	3,311
Borrowings	5,445	4,235	3,622	3,182
Loan from a subsidiary	-	-	5,590	5,590
Lease liabilities	149	189	149	189
<b>Total</b>	<b>6,127</b>	<b>4,946</b>	<b>12,933</b>	<b>12,272</b>

## 21. Net Asset/(Liability) Value Per Ordinary Share

	Group		Company	
	<u>As at 30 Jun 2024</u>	<u>As at 31 Dec 2023</u>	<u>As at 30 Jun 2024</u>	<u>As at 31 Dec 2023</u>
Net asset/(liability) value per ordinary share (in cents)	0.009	0.0101	(0.022)	(0.0193)

## **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Southern Archipelago Ltd. (formerly known as Blumont Group Ltd.) and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of Performance of the Group**

#### **Commentary on the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

##### **Revenue**

Revenue decreased by S\$0.36 million to S\$2.34 million for 1H2024 (1H2023: S\$2.70 million), mainly due to reduced cobalt activity of the sterilisation segment of the Group.

##### **Other Gains/(Losses) – Net**

Other gains/(losses) increased by S\$0.47 million to gains of S\$0.32 million for 1H2024 (1H2023: losses of S\$0.15 million), mainly due to currency exchange gain recognised during the reporting period.

##### **Interest Income**

Interest income decreased by S\$17,000 to S\$10,000 for 1H2024 (1H2023: S\$27,000) mainly due to lower bank balance held in interest earning bank accounts.

##### **Expenses**

Raw materials and consumables used decreased by S\$7,000 to S\$34,000 in 1H2024 (1H2023: S\$41,000). The decrease in raw materials and consumables used were in line with the reduced revenue from the sterilisation segment.

Employee benefits expenses decreased by S\$0.66 million to S\$1.06 million in 1H2024 (1H2023: S\$1.72 million), mainly due to nil share-based payment expense recognised during the reporting period.

Other expenses increased by S\$0.24 million to S\$0.86 million in 1H2024 (1H2023: S\$0.62 million), mainly due to fees and duty charges for the disposal of cobalt waste incurred during the reporting period.

##### **Income Tax Expenses**

Income tax expenses increased by S\$0.03 million to S\$0.26 million in 1H2024 (1H2023: S\$0.23 million), mainly due to higher chargeable income for sterilisation business during the reporting period. The Group will review and assess the annual income tax expenses at year end.

##### **Other Comprehensive Income**

Foreign currency translation loss on translating foreign operations of S\$0.43 million for 1H2024 (1H2023: gain of S\$0.47 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 SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rate*.



## **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Cont'd)**

### **Commentary on the Condensed Interim Statement of Financial Position**

Cash and bank balances decreased by S\$1.52 million or 49% from S\$3.08 million as at 31 December 2023 to S\$1.56 million as at 30 June 2024, mainly due to payment made for new cobalt rods and ongoing construction for the expansion of the sterilisation business.

Other assets increased by S\$0.13 million or 87% from S\$0.15 million as at 31 December 2023 to S\$0.28 million as at 30 June 2024, mainly due to prepayments made by the sterilisation business for the purchase of equipment.

Current income tax liabilities decreased by S\$0.29 million or 161% from income tax payable of S\$0.18 million as at 31 December 2023 to income tax receivable of S\$0.11 million as at 30 June 2024, mainly due to VAT refundable from the purchase of new cobalt rods.

Property and equipment increased by S\$1.86 million or 38% from S\$4.95 million as at 31 December 2023 to S\$6.81 million as at 30 June 2024, mainly due to purchase of new cobalt rods and construction in progress recognised for the expansion of sterilisation business.

Borrowings, including current and non-current, increased by S\$1.21 million or 29% from S\$4.24 million as at 31 December 2023 to S\$5.45 million as at 30 June 2024, mainly due to additional bank loans and shareholders loans taken up.

Lease liabilities, including current and non-current, decreased by S\$0.04 million or 21% from S\$0.19 million as at 31 December 2023 to S\$0.15 million as at 30 June 2024, mainly due to repayment of lease liabilities.

As at 30 June 2024, the Group had a negative working capital of S\$2.28 million (31 December 2023: S\$0.48 million). The Company intends to fund its operation through the Group's internal resources, loans from shareholder, borrowings and/or capital raising as and when required.

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

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

### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

Below are updates on the Group's operations:

#### **Sterilisation**

The sterilisation business is expected to improve in the second half of 2024 due to the replacement of cobalt rods in end June 2024 which will result in an increase to the segment's sales capacity.

In addition, the Group's sterilisation business segment is in the process of expanding its business capacity. The management expects the sterilisation business will continue to grow and generate positive operating cashflow

### **5. Dividend Information**

#### **(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 six months ended 30 June 2024.

**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Cont'd)**

**6. General Mandate from Shareholders for Interested Party Transactions**

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

**7. 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 six months ended 30 June 2024 to be false or misleading.

On behalf of the Board of Directors

Alan Chin Yu  
Executive Director

Ng Keok Chai  
Lead Independent Director

**8. 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**  
**Southern Archipelago Ltd.**

John Lee Yow Meng  
Chief Financial Officer and Executive Director  
13 August 2024