

BLUMONT GROUP LTD.

(Company Registration No. 199302554G)

(Incorporated in the Republic of Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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

	Note	S\$'000		GROUP		S\$'000		% Increase/ (Decrease)
		2H2021	2H2020	% Increase/ (Decrease)	FY2021	FY2020		
Revenue	5	2,121	1,384	53	3,904	3,499	12	
Other (losses)/gains – net	6	(1,137)	298	(482)	(946)	331	(386)	
Expenses								
Raw materials and consumables used		(27)	(16)	69	(45)	(55)	(18)	
Employee benefits	7	(2,806)	(1,064)	164	(3,639)	(1,943)	87	
Fair value loss on financial assets, at FVPL		(120)	-*	100	(120)	-*	100	
Impairment loss on investment in associate		(690)	-	100	(690)	-	100	
Share of result of associate		(16)	-	100	(39)	-	100	
Others	8	(1,970)	(733)	169	(2,677)	(1,524)	76	
Finance costs	9	(104)	(107)	(3)	(214)	(219)	(2)	
Total expenses		(5,733)	(1,920)		(7,424)	(3,741)		
(Loss)/Profit before income tax		(4,749)	(238)		(4,466)	89		
Income tax expenses	10	(197)	(194)	(2)	(439)	(467)	(6)	
LOSS FOR THE PERIOD/YEAR		(4,946)	(432)		(4,905)	(378)		
*: < S\$1,000								
Other comprehensive income/(loss)								
<i>Items that will not be reclassified subsequently to profit or loss:</i>								
Actuarial gain/(loss) on defined benefit plans		71	(55)	(229)	71	(55)	(229)	
<i>Items that may be reclassified subsequently to profit or loss:</i>								
Foreign currency translation								
- Gain/(Loss) on translating foreign operations		1,471	(302)	(587)	1,202	(293)	(510)	
Other comprehensive income/(loss) for the period/year, net of tax		1,542	(357)		1,273	(348)		
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		(3,404)	(789)		(3,632)	(726)		
Loss for the period/year attributable to:								
Owners of the Company		(4,946)	(432)		(4,905)	(378)		
Total comprehensive loss for the period/year attributable to:								
Owners of the Company		(3,404)	(789)		(3,632)	(726)		
Loss per share (S\$ cents)								
- Basic		(0.0179)	(0.0016)		(0.0178)	(0.0013)		
- Diluted		(0.0179)	(0.0016)		(0.0178)	(0.0013)		

Condensed Interim Statements of Financial Position

	Note	GROUP S\$'000		COMPANY S\$'000	
		As at 31/12/2021	As at 31/12/2020	As at 31/12/2021	As at 31/12/2020
ASSETS					
Current assets					
Cash and bank balances		1,455	917	306	215
Other financial assets	11	-	120	-	120
Trade and other receivables	12	404	520	-	185
Other assets	13	251	45	23	17
Income tax receivable		171	163	-	-
		<u>2,281</u>	<u>1,765</u>	<u>329</u>	<u>537</u>
Asset held for sale	14	4,500	-	-	-
		6,781	1,765	329	537
Non-current assets					
Investments in subsidiaries		-	-	146	104
Investment in associate	15	-	-	-	-
Loans to subsidiaries		-	-	9,957	10,733
Property and equipment	16	3,795	4,246	72	97
Other assets	13	-	200	-	200
Development property	17	-	4,579	-	-
Deferred tax assets		256	277	-	-
		<u>4,051</u>	<u>9,302</u>	<u>10,175</u>	<u>11,134</u>
Total assets		10,832	11,067	10,504	11,671
LIABILITIES					
Current liabilities					
Trade and other payables	18	3,030	1,555	4,082	2,646
Borrowings	19	5,510	500	5,332	-
Loan from a subsidiary		-	-	5,590	5,590
Lease liabilities		53	48	53	48
		<u>8,593</u>	<u>2,103</u>	<u>15,057</u>	<u>8,284</u>
Net current liabilities		(1,812)	(338)	(14,728)	(7,747)
Non-current liabilities					
Defined benefit plan		994	971	-	-
Borrowings	19	-	4,954	-	4,832
Lease liabilities		19	56	19	56
		<u>1,013</u>	<u>5,981</u>	<u>19</u>	<u>4,888</u>
Total liabilities		9,606	8,084	15,076	13,172
Net assets/(liabilities)		1,226	2,983	(4,572)	(1,501)
EQUITY					
Equity attributable to owners of the Company					
Share capital	20	127,339	127,339	127,339	127,339
Reserves	21	(510)	(4,095)	1,875	-
Accumulated losses		(125,603)	(120,261)	(133,786)	(128,840)
Total equity		1,226	2,983	(4,572)	(1,501)

Condensed Interim Consolidated Statement of Cash Flows

	GROUP S\$'000	
	2021	2020
Cash Flows from Operating Activities		
(Loss)/Profit before tax	(4,466)	89
Adjustments for:		
Unrealised foreign exchange loss/(gain)	1,179	(185)
Write-off of property and equipment	-	3
Depreciation of property and equipment	615	648
Deposit written off (non-trade)	(162)	-
Loss on disposal of property and equipment	1	-
Loss on disposal of financial assets, available-for-sale	-*	-
Share of results of an associate	39	-
Impairment loss on investment in associate	690	-
Fair value loss on financial assets, at FVPL	120	-
Interest expense	214	219
Interest income	(4)	(4)
Share-based payment expense	1,875	-
Operating cash flows before working capital changes	101	770
Changes in working capital		
Receivables	(154)	87
Payables	1,600	(582)
Cash flows generated from operations	1,547	275
Tax paid	(444)	(694)
Net cash generated from/(used in) operating activities	1,103	(419)
Cash Flows from Investing Activities		
Purchase of property and equipment	(159)	(163)
Interest received	4	4
Proceeds from disposal of asset held-for-sale	-	985
Proceeds from disposal of property and equipment	14	-
Investment in associate	(398)	-
Net cash (used in)/generated from investing activities	(539)	826
Cash Flows from Financing Activities		
Repayment of borrowings	(443)	(306)
Repayments for lease liabilities	(34)	(56)
Interest paid	(53)	(67)
Proceeds from borrowings	500	-
Net cash used in financing activities	(30)	(429)
Net increase/(decrease) in cash and bank balances	534	(22)
Cash and bank balances at the beginning of the period	917	945
Effect of changes in foreign exchange rates on cash and bank balances	4	(6)
Cash and bank balances at the end of the year	1,455	917

*: < S\$1,000

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	
2021						
Balance at 1 January 2021	127,339	-	(5,830)	1,735	(120,261)	2,983
Loss for the year	-	-	-	-	(4,905)	(4,905)
Other comprehensive income, net of tax:						
Foreign currency translation gain	-	-	1,202	-	-	1,202
Actuarial gain on defined benefit plan	-	-	-	-	71	71
Total comprehensive income/(loss) for the year	-	-	1,202	-	(4,834)	(3,632)
Value of employee services received for issue of share options	-	1,875	-	-	-	1,875
Reclassification between reserves	-	-	508	-	(508)	-
Balance at 31 December 2021	127,339	1,875	(4,120)	1,735	(125,603)	1,226
2020						
Balance at 1 January 2020	127,339	-	(5,537)	1,735	(119,828)	3,709
Loss for the year	-	-	-	-	(378)	(378)
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(293)	-	-	(293)
Actuarial loss on defined benefit plan	-	-	-	-	(55)	(55)
Total comprehensive loss for the year	-	-	(293)	-	(433)	(726)
Balance at 31 December 2020	127,339	-	(5,830)	1,735	(120,261)	2,983

Company

	Share capital S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
2021				
Balance at 1 January 2021	127,339	-	(128,840)	(1,501)
Loss for the year	-	-	(4,946)	(4,946)
Total comprehensive loss for the year	-	-	(4,946)	(4,946)
Value of employee services received for issue of share options	-	1,875	-	1,875
Balance at 31 December 2021	127,339	1,875	(133,786)	(4,572)
2020				
Balance at 1 January 2020	127,339	-	(127,289)	50
Loss for the year	-	-	(1,551)	(1,551)
Total comprehensive loss for the year	-	-	(1,551)	(1,551)
Balance at 31 December 2020	127,339	-	(128,840)	(1,501)

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED 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”). These condensed interim consolidated financial statements as at and for the six month and full year ended 31 December 2021 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 and property development.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 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 since the last interim financial statements for the period ended 30 June 2021.

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 31 December 2021, the Group and Company are in a net current liability position of S\$1,812,000 and S\$14,728,000 (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 31 December 2021 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;
- The Group has implemented various cost containing measures to generate savings and conserve financial resources such as cost reductions.
- Subject to shareholders’ approval at the EGM to be held on 14 March 2022, the proposed disposal of land, currently recorded as asset held for sale, is expected to realise cash proceeds of approximately S\$6.47 million.
- The Board and the management are currently exploring possible fundraising options to secure financing commitments to allow the Group to have access to additional working capital where required. As announced on 1 October 2021, the Company has proposed a renounceable non-underwritten rights cum warrants issue to raise funds to strengthen the Group’s financial position and expand the capital base of the Group. The Rights cum Warrants Issue is expected to strengthen the Company’s balance sheet, and a stronger financial position will also allow the Group to seize opportunities through the expansion of business.

It is noted that the cash and bank balance of the Group is approximately S\$1,455,000. Management has assessed the cash flow forecasts of the Group for the next 12 months and concluded that there will be sufficient cash flows and resources to allow the Group to continue its operations and meet its obligations for the foreseeable future. The Board has assessed the ability of the Group to meet its short-term obligations as and when it falls due and is also of the opinion that the Group 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 2021 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 2020.

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 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.

(ii) 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.

(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.

(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. The valuations applied in the determination of fair value of development properties are disclosed and explained in Note 17.

As at 31 December 2021, the carrying amount of development property was reclassified to asset held for sale after the Group entered into a sales and purchase agreement to sell the development property.

(v) 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 and measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

As at 31 December 2021, the Group's asset held for sale is measured at the carrying amount prior to reclassification from development property as disclosed in Note 14.

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.

(ii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The management has engaged a Chartered Valuer to assist with the fair value of the share options at year end in accordance with SFRS(I) 2 Share-based Payment.

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 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 – development of properties for sale, 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
1 July 2021 to 31 December 2021					
External revenues	-	2,121	-	-	2,121
Segment results	(4,734)	1,137	-*	80	(3,517)
Interest income	-*	3	-	-	3
Finance costs	(85)	(19)	-	-	(104)
Depreciation	(25)	(280)	-	-	(305)
Fair value loss on financial assets, at FVPL	(120)	-	-	-	(120)
Impairment loss on investment in associate	(690)	-	-	-	(690)
Share of loss of associate	-	-	(16)	-	(16)
Reportable segment (loss)/profit before income tax	(5,654)	841	(16)	80	(4,749)
Other material item					
Capital expenditure					
- property and equipment	23	53	-	-	76
Segment assets	434	5,328	1	4,813	10,576
Unallocated assets – deferred tax assets					256
Consolidated total assets					10,832
Segment liabilities	7,699	1,198	-	709	9,606
Consolidated total liabilities					9,606

*: < S\$1,000

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
1 July 2020 to 31 December 2020					
External revenues	-	1,384	-	-	1,384
Segment results	(528)	688	-	25	185
Interest income	-*	1	-	-	1
Finance costs	(76)	(31)	-	-*	(107)
Depreciation	(25)	(292)	-	-	(317)
Reportable segment (loss)/profit before income tax	(629)	366	-	25	(238)
Other material item					
Capital expenditure					
- property and equipment	-	87	-	-	87
Segment assets	834	4,853	-	5,103	10,790
Unallocated assets – deferred tax assets					277
Consolidated total assets					11,067
Segment liabilities	6,303	1,608	-	173	8,084
Consolidated total liabilities					8,084

*: < S\$1,000

4.1 Reportable Segments (con't)

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
2021					
External revenues	-	3,904	-	-	3,904
Segment results	(5,128)	2,329	-*	7	(2,792)
Interest income	-*	4	-	-	4
Finance costs	(163)	(51)	-	-	(214)
Depreciation	(48)	(567)	-	-	(615)
Fair value loss on financial assets, at FVPL	(120)	-	-	-	(120)
Impairment loss on investment in associate	(690)	-	-	-	(690)
Share of loss of associate	-	-	(39)	-	(39)
Reportable segment (loss)/profit before income tax	(6,149)	1,715	(39)	7	(4,466)
Other material item					
Capital expenditure					
- property and equipment	23	136	-	-	159
Segment assets	434	5,328	1	4,813	10,576
Unallocated assets – deferred tax assets					256
Consolidated total assets					10,832
Segment liabilities	7,699	1,198	-	709	9,606
Consolidated total liabilities					9,606

*: < S\$1,000

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
2020					
External revenues	-	3,495	-	4	3,499
Segment results	(977)	1,963	-	(34)	952
Interest income	-*	4	-	-	4
Finance costs	(152)	(67)	-	-*	(219)
Depreciation	(54)	(594)	-	-	(648)
Reportable segment (loss)/profit before income tax	(1,183)	1,306	-	(34)	89
Other material item					
Capital expenditure					
- property and equipment	-	163	-	-	163
Segment assets	834	4,853	-	5,103	10,790
Unallocated assets – deferred tax assets					277
Consolidated total assets					11,067
Segment liabilities	6,303	1,608	-	173	8,084
Consolidated total liabilities					8,084

*: < S\$1,000

4.2 Geographical information

As at 31 December 2021	External Revenues S\$'000	Non-current assets^^ S\$'000
Singapore	-	72
Indonesia	3,904	3,723
	3,904	3,795

As at 31 December 2020	External Revenues S\$'000	Non-current assets^^ S\$'000
Singapore	-	297
Malaysia	4	4,579
Indonesia	3,495	4,149
	3,499	9,025

^^ : 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</u> <u>31 Dec 2021</u> S\$'000	<u>6 months ended</u> <u>31 Dec 2020</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2021</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2020</u> S\$'000
Revenue from sterilisation services	2,121	1,384	3,904	3,495
Rental income	-	-	-	4
	2,121	1,384	3,904	3,499

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 the services.

6. Other (Losses)/Gains – Net

	Group			
	<u>6 months ended</u> <u>31 Dec 2021</u> S\$'000	<u>6 months ended</u> <u>31 Dec 2020</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2021</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2020</u> S\$'000
Currency exchange (loss)/gain – net	(1,331)	261	(1,168)	257
Interest income	3	1	4	4
Loss on disposal of financial assets, available-for-sale	-	-	*	-
Loss on disposal of property and equipment	(1)	-	(1)	-
Deposit received written off (Non-trade)	162	-	162	-
Write-off of property and equipment	-	(3)	-	(3)
Miscellaneous income	30	39	57	73
	(1,137)	298	(946)	331

*: < S\$1,000

7. Employee Benefits

	Group			
	<u>6 months</u> <u>ended</u> <u>31 Dec 2021</u> <u>S\$'000</u>	<u>6 months</u> <u>ended</u> <u>31 Dec 2020</u> <u>S\$'000</u>	<u>12 months</u> <u>ended</u> <u>31 Dec 2021</u> <u>S\$'000</u>	<u>12 months</u> <u>ended</u> <u>31 Dec 2020</u> <u>S\$'000</u>
Short-term employee benefits	773	849	1,515	1,638
Post-employment benefits	19	13	49	27
Other long-term employee benefits	139	202	200	278
Share-based payment expense	1,875	-	1,875	-
	<u>2,806</u>	<u>1,064</u>	<u>3,639</u>	<u>1,943</u>
<i>Comprised:</i>				
Directors of the Company	882	171	996	326
Director of the Group's subsidiaries	219	114	349	242

The share-based payment expense relates to the fair value recognised for employee services received during the year in return for share options granted.

8. Other Expenses

	Group			
	<u>6 months</u> <u>ended</u> <u>31 Dec 2021</u> <u>S\$'000</u>	<u>6 months</u> <u>ended</u> <u>31 Dec 2020</u> <u>S\$'000</u>	<u>12 months</u> <u>ended</u> <u>31 Dec 2021</u> <u>S\$'000</u>	<u>12 months</u> <u>ended</u> <u>31 Dec 2020</u> <u>S\$'000</u>
Audit fees:				
- auditor of the Company	40	11	72	55
- other auditors	8	10	15	18
Legal, professional and consultancy fees	1,201	72	1,233	106
Depreciation of property and equipment	305	317	615	648
Upkeep expenses	66	55	119	109
Directors' fees	50	50	100	100
Travelling expenses	18	(1)	22	15
Postage and telecommunication expenses	7	9	15	18
Printing and stationery expenses	9	18	23	51
Staff training and welfare expenses	32	31	63	61
Marketing and advertising	1	1	1	4
Provision for withholding tax expense	52	50	103	95
Sundry expenses	34	16	56	52
SGX expenses	25	17	43	39
Others	122	77	197	153
	<u>1,970</u>	<u>733</u>	<u>2,677</u>	<u>1,524</u>
<i>Comprised:</i>				
Directors of the Company	50	50	100	100

9. Finance Costs

	Group			
	<u>6 months</u> <u>ended</u> <u>31 Dec 2021</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31 Dec 2020</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2021</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2020</u> S\$'000
	Interest expense			
- loans from bank	18	31	50	67
- loan from shareholders	84	73	159	145
- lease liabilities	2	3	5	7
- others	-	-	-	-*
	<u>104</u>	<u>107</u>	<u>214</u>	<u>219</u>

*: < S\$1,000

10. Income tax expense

The Group calculates the period 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</u> <u>ended</u> <u>31 Dec 2021</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31 Dec 2020</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2021</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2020</u> S\$'000
	Income tax expense comprised:			
Current income tax expense	194	80	436	373
Deferred tax expense relating to origination and reversal of temporary differences	3	78	3	58
	<u>197</u>	<u>158</u>	<u>439</u>	<u>431</u>
Over/Under provision in prior period/year				
Current income tax expense	-	(8)	-	(8)
Deferred tax expense relating to origination and reversal of temporary differences	-	44	-	44
	<u>-</u>	<u>36</u>	<u>-</u>	<u>36</u>
	<u>197</u>	<u>194</u>	<u>439</u>	<u>467</u>

11. Other Financial Assets

	Group		Company	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As as 31 Dec 2020</u> S\$'000	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
	Equity investments measured at fair value through profit or loss			
Listed equity securities	-	120	-	120

12. Trade and Other Receivables

	Group		Company	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As as 31 Dec 2020</u> S\$'000	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
Trade receivables				
- third parties (a)	293	225	-	-
Less: Loss allowance	-	(-)*	-	-
Trade receivables - net	293	225	-	-
Other receivables				
- third parties (b)	111	231	-	121
- related party (c)	-	185	-	185
Less: Loss allowance (b)	-*	(121)	-	(121)
Other receivables - net	111	295	-	185
Total trade and other receivables	404	520	-	185

*: < 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 (2020: 30 to 60 days).
- (b) As at 31 December 2021, the Group and the Company has written off a receivable from a third party, previously included under other receivables - third parties, with a carrying amount of S\$121,701 (2020: S\$121,701). The impairment loss allowance recognised by the Group and the Company of S\$121,701 (2020: S\$121,701) has been written off accordingly as at the financial year end.
- (c) Other receivables from related party relates to reimbursement of expenses from a shareholder.

13. Other Assets

	Group		Company	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As as 31 Dec 2020</u> S\$'000	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
Inventories	1	1	-	-
Deposits	20	211	17	209
Prepayments	230	33	6	8
Total other assets	251	245	23	217
Classified as:				
Current	251	45	23	17
Non-current	-	200	-	200
Total other assets	251	245	23	217

14. Asset held for sale

	Group	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
Balance at the beginning of the year	-	-
Transferred from development property (Note 17)	4,500	-
Balance at the end of the year	4,500	-

On 15 September 2021, the Group entered into a sales and purchase agreement for the disposal of the Shah Alam land for a total cash consideration of RM20 million (approximately S\$6.47 million). The sale was not concluded as at 31 December 2021. Accordingly, the development property was reclassified to asset held for sale.

15. Investment in associate

	Group		Company	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
Balance at the beginning of the year	-	-	-	-
Addition during the year	729	-	729	-
Share of loss of associate	(39)	-	-	-
Balance at the end of the year	690	-	729	-
Less: Allowance for impairment loss	(690)	-	(729)	-
	-	-	-	-

On 1 April 2021, the Company completed the acquisition of 27% interest in Labrador Hill Pte Ltd, which manages a hotel and food and beverage operation. As at 31 December 2020, the Company has paid a deposit of S\$200,000 for the acquisition recognised as "Other assets". As at 31 December 2021, the Company has paid S\$398,000 and S\$131,000 remains outstanding recognised under "Trade and other payables".

As at 31 December 2021, the Group and the Company has impaired S\$690,000 (2020: S\$Nil) of its investment in an associate to profit or loss, the recoverable amount of which was determined to be nil on the basis that the associate is in a net total liability position as at 31 December 2021.

16. Property and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to S\$76,000 (31 December 2020: S\$87,000) and disposed of assets amounting to S\$22,000 (31 December 2020: S\$Nil).

During the year ended 31 December 2021, the Group acquired assets amounting to S\$159,000 (31 December 2020: S\$163,000) and disposed of assets amounting to S\$22,000 (31 December 2020: S\$Nil).

17. Development property

	Group	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
Balance at the beginning of the year	4,579	4,576
Transferred to assets held for sale	(4,500)	-
Currency exchange difference	(79)	3
Balance at the end of the year (at cost)	-	4,579

The development property pertains to leasehold land in Malaysia. The Company had entered into a sales and purchase agreement of which completion is subject to the Company's shareholders approval at the extraordinary general meeting ("EGM") to be convened on 14 March 2022 and completion of any other condition precedents as at 31 December 2021. Accordingly, the carrying amount of S\$4.5 million was reclassified from development property to asset held for sale.

18. Trade and Other Payables

	Group		Company	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As as 31 Dec 2020</u> S\$'000	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
<u>Current</u>				
Other payables (a)	948	624	948	624
Amounts due to directors (b)	8	50	8	50
Deposit payable (c)	647	165	-	-
Interest payable (d)	624	465	2,422	1,751
Accrued operating expenses	803	251	704	221
Total trade and other payables	<u>3,030</u>	<u>1,555</u>	<u>4,082</u>	<u>2,646</u>

- (a) The Group and the Company's other payables include professional fees and general legal advice of S\$814,000 (2020: S\$620,509).
- (b) The amounts due to directors are unsecured, interest-free and repayable on demand in cash.
- (c) The deposit received from a third party was in relation to the sales and purchase agreement entered for the sale of the Group's leasehold land in Malaysia.
- (d) Interest payable relates to loan from shareholders and loan from subsidiary.

19. Borrowings

	Group		Company	
	<u>As at 31 Dec 2021</u> S\$'000	<u>As as 31 Dec 2020</u> S\$'000	<u>As at 31 Dec 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured - Loans from bank(a)	178	500	-	-
Unsecured - Loan from shareholder(b)	5,332	-	5,332	-
	<u>5,510</u>	<u>500</u>	<u>5,332</u>	<u>-</u>
<u>Amount repayable after one year</u>				
Secured - Loans from bank(a)	-	122	-	-
Unsecured - Loan from shareholder(b)	-	4,832	-	4,832
	<u>-</u>	<u>4,954</u>	<u>-</u>	<u>4,832</u>
Total borrowings	<u>5,510</u>	<u>5,454</u>	<u>5,332</u>	<u>4,832</u>

- (a) Loans from bank are secured over the Group's freehold land and building. The loans from bank bear an interest between 10% and 11% (2020: between 10% and 11%) per annum.
- (b) Loans from shareholders are unsecured and bear interest between 3% and 4% (2020: 3%) per annum. During the year ended 31 December 2021, the Company had obtained additional loan from its major shareholder amounting to S\$500,000.

20. Share Capital

	Group and Company			
	<u>As at 31 Dec 2021</u>		<u>As at 31 Dec 2020</u>	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Beginning and end of the year	<u>27,570,762,183</u>	<u>127,339</u>	<u>27,570,762,183</u>	<u>127,339</u>

During the six months ended 31 December 2021, there is no change in the Group and Company's share capital.

The Company did not hold any treasure shares as at 31 December 2021 (31 December 2020: Nil).

20. Share Capital (con't)

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

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

The Company announce 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.

Movements in the number of share options and their related weighted average exercise prices are as follows:

	Weighted average exercise price As at 31 Dec 2021 S\$	No. of options As at 31 Dec 2021 '000
Outstanding at at the beginning of the year	-	-
Granted during the year	0.0036	1,160,000
Exercisable at the end of the year	0.0036	1,160,000

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes Option Pricing model.

Date of grant of options	Group 17 June 2021
Fair value of share options and assumptions	
Fair value at measurement date	<u>S\$0.0039 – S\$0.0040</u>
Share price	S\$0.0040
Exercise price	S\$0.0032 – S\$0.0040
Expected volatility	258.6% – 274.5%
Expected option life	3.0 – 6.0 years
Expected dividend yield	0.0%
Risk-free interest rate	<u>0.74% – 1.06%</u>

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

Blumont Performance Share Plan (the "Blumont PSP")

No incentive share awards under the Blumont PSP have been granted for the six months ended 31 December 2021 (31 Dec 2020: Nil).

21. Reserves

	Group		Company	
	As at 31 Dec 2021 S\$'000	As at 31 Dec 2020 S\$'000	As at 31 Dec 2021 S\$'000	As at 31 Dec 2020 S\$'000
Composition:				
Currency translation reserve	(4,120)	(5,830)	-	-
Other reserves	1,735	1,735	-	-
Share option reserve	1,875	-	1,875	-
	<u>(510)</u>	<u>(4,095)</u>	<u>1,875</u>	<u>-</u>

21. Reserves (con't)

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire or are forfeited, the amount from the share option reserve is transferred to retained earnings.

22. Related Party Transactions

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

23. 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 31 December 2021 and 31 December 2020.

	Group		Company	
	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financial assets				
<u>At amortised cost</u>				
Cash and bank balances	1,455	917	306	215
Trade and other receivables	404	520	-	185
Other assets	20	211	17	209
Total	1,879	1,648	323	609

	Group		Company	
	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Fair value through Profit or Loss</u>				
Other financial assets	-	120	-	120

Financial liabilities

	Group		Company	
	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>At amortised cost</u>				
Trade and other payables	3,030	1,555	4,082	2,646
Borrowings	5,510	5,454	5,332	4,832
Loan from a subsidiary	-	-	5,590	5,590
Lease liabilities	72	104	72	104
Total	8,612	7,113	15,076	13,172

24. Net Asset/(Liability) Value Per Ordinary Share

	Group		Company	
	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>
Net asset/(liability) value per ordinary share (in cents)	0.0044	0.0108	(0.0166)	(0.0054)

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Blumont Group Ltd. and its subsidiaries as at 31 December 2021 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-month 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 increased by S\$0.40 million to S\$3.90 million for 2021 (2020: S\$3.50 million), mainly due to the better performance of the sterilisation segment of the Group during the year as the impact of COVID-19 which severely affected financial performance of many industries worldwide began to wane.

Other gains/(losses) – net

Other gains decreased by S\$1.28 million amounting to a loss of S\$0.95 million for 2021 (2020: gain of S\$0.33 million), mainly due to currency exchange loss of S\$1.17 million in 2021 (2020: currency exchange gain of S\$0.26 million) which is offset by deposit received written off amounting S\$0.16 million in 2021.

Expenses

Raw materials and consumables used decreased by approximately S\$10,000 to S\$45,000 in 2021 (2020: S\$55,000), mainly due to lower materials expenses incurred.

Employee benefits expenses increased by S\$1.70 million to S\$3.64 million in 2021 (2020: S\$1.94 million), mainly due to share-based payment expense recognised during the year for Blumont ESOS 2013 amounting S\$1.87m.

Fair value loss on financial assets of S\$0.12 million pertaining to loss recognised on equity investments measured at fair value through profit or loss following trading suspension of the listed equity securities.

Impairment loss on investment in associate of S\$0.69 million pertaining to impairment loss recognised on investment in associate due to 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 31 December 2021.

Share of result of associate of S\$0.04 million pertaining to share of loss of investment in associate, Labrador Hill Pte. Ltd as at 31 December 2021.

Other expenses increased by S\$1.15 million to S\$2.67 million in 2021 (2020: S\$1.52 million), mainly due to provision of professional fees amounting S\$1.15 million in 2021 (2020: S\$0.06 million) incurred relating to the following corporate exercises in 2021, with no corporate exercise in 2020:

- (a) proposed disposal of Shah Alam land owned by Trackplus Sdn Bhd;
- (b) proposed name change;
- (c) proposed acquisition of (i) 100% of the issued and paid-up share capital in each of Mendol Investments Pte. Ltd. and Hinako Investments Pte. Ltd.; and (ii) 60% of the issued and paid-up share capital in each of Prime Holdings Pte. Ltd., Enggano Investments Pte. Ltd. and Mesawak Investments Pte. Ltd. (“Proposed Acquisition”); and
- (d) proposed renounceable non-underwritten rights cum warrants.

Income Tax Expenses

Income tax expenses decreased by S\$0.03 million to S\$0.44 million in 2021 (2020: S\$0.47 million), mainly due to lower chargeable income for sterilization business as a result of management fees charged by the Company.

Commentary on the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (con't)

Other Comprehensive Income

Actuarial gain on defined benefit plans of S\$0.07 million for 2021 (2020: loss of S\$0.06 million) relates to the adjustments on remeasurement of net defined benefit liability of the Group based on actuarial report obtained at end of the reporting period.

Foreign currency translation gain on translating foreign operations of S\$1.20 million for 2021 (2020: translation loss of S\$0.29 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.

Commentary on the Condensed Interim Statement of Financial Position

Cash and bank balances increased by S\$0.54 million or 59% from S\$0.92 million as at 31 December 2020 to S\$1.46 million as at 31 December 2021, mainly due to new loan from shareholder and refundable deposit received on proposed sale of land, offset by investment in associate and repayment of bank loans.

Other financial assets decreased by S\$0.12 million or 100% from S\$0.12 million as at 31 December 2020 to S\$Nil as at 31 December 2021 mainly due to fair value loss recognised on equity investments measured at fair value through profit or loss following trading suspension of the listed equity securities.

Trade and other receivables decreased by S\$0.12 million or 22% from S\$0.52 million as at 31 December 2020 to S\$0.40 million as at 31 December 2021 mainly due to reimbursement of expenses from shareholders received by the Company.

Other assets (current) increased by S\$0.20 million or 458% from S\$0.05 million as at 31 December 2020 to S\$0.25 million as at 31 December 2021, mainly due to prepayment of real property gains tax to tax authorities for the proposed sale of land.

Other assets (non-current) decreased by S\$0.20 million or 100% from S\$0.20 million as at 31 December 2020 to S\$Nil as at 31 December 2021, mainly due to reversal of deposit to investment in associate upon purchase of Labrador Hill Pte. Ltd.

Asset held for sale relate to the proposed sale of Shah Alam land for which the Company had entered into a sales and purchase agreement of which completion is subject to the Company's shareholders approval and completion of any other condition precedents as at 31 December 2021. Accordingly, the carrying amount of S\$4.50 million was reclassified from development property to asset held for sale.

Investment in associate was fully impaired as at 31 December 2021 due to 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 31 December 2021.

Property and equipment decreased by S\$0.45 million or 11% from S\$4.25 million as at 31 December 2020 to S\$3.80 million as at 31 December 2021, mainly due to depreciation of S\$0.61 million which is offset by additions amounting to S\$0.16 million.

Trade and other payables increased by S\$1.48 million or 95% from S\$1.55 million as at 31 December 2020 to S\$3.03 million as at 31 December 2021, mainly due to increase of interest payable S\$0.16 million, deposit received for proposed sale of Shah Alam land S\$0.65 million and accrual of professional fees for corporate exercises amounting to S\$0.53 million.

Borrowings, including current and non-current, increased by S\$0.06 million or 1% from S\$5.45 million as at 31 December 2020 to S\$5.51 million as at 31 December 2021, mainly due to loan taken up from shareholder and repayment of bank loan.

Lease liabilities, including current and non-current, decreased by S\$0.03 million or 31% from S\$0.10 million as at 31 December 2020 to S\$0.07 million as at 31 December 2021, mainly due to repayment of lease liabilities.

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 improvement in performance of the sterilisation segment of the Group during the reporting period was due to the waning impact of COVID-19 which has severely affected financial performance of many industries worldwide. The sterilisation business is expected to continue to perform reasonably in 2022 in spite of the uncertainties caused by the pandemic.

Hospitality and wellness

(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.

The Proposed Acquisition constitutes a major transaction under Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited, and may change the 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 management is still in negotiations with the vendors on the proposed acquisition of Samadhi Retreats Pte Ltd. The Board will announce at the appropriate juncture as and when material and significant developments are achieved in relation to the proposed acquisition.

(b) Investment in 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. ("LHPL") 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 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.

On 13 January 2021, the Company signed the Amendment to Share Sales and Purchase Agreement to amend the terms of deposit. Subsequently on 1 April 2021, the Company entered into 2nd Supplemental Letter to acquire 27% shares in LHPL, with an option to acquire the balance of 24% of the 51% shares in LHPL based on a price to be agreed upon by both parties and have a duration of 6 months from date of completion of purchase of 27% of LHPL. The transaction was completed on 1 April 2021. No announcement was made as the transaction is categorised as a non-disclosable transaction (i.e. relative figures computed on the based amount in accordance with the Chapter 10 paragraph 6 of the Mainboard Listing Rule.

On 16 September 2021, the Company and the Vendors have agreed on a 6-month time extension from 1 October 2021 to 31 March 2022 to complete the option to acquire the balance 24% of the 51% shares in LHPL.

LHPL operates the Villa Samadhi Hotel and Tamarind Hill in Singapore. As with all hospitality and wellness businesses, the COVID 19 has impacted the LHPL in their hotel, restaurant, function and wellness businesses. For the upcoming 2022, the management assessed and foresee that the easing of restrictions and possible opening up of the international borders to certain low risk countries following the completion of vaccination program by various countries will turnaround the operation of LHPL.

Hospitality and wellness (Cont'd)

(c) Proposed Acquisition

As announced on 3 August 2021, the Company entered into a Memorandum of Understanding ("MOU") with Strategic Premium Pte Ltd and Luminous Global Inc (the "Vendors") to acquire an aggregate of 40.8% of the issued and paid-up shares in Mendol Investments Pte Ltd ("Target") from the vendor on 3 August 2021.

The MOU is intended to set out the basis for further discussion in respect of the Proposed Acquisition and is not intended to be legally binding between the parties, except for provisions relating to, inter alia, exclusivity, confidentiality and governing law. The MOU is subject to the parties entering into transaction agreements ("Transaction Agreements") and further details will be announced in the event the Transaction Agreements are entered into by the parties.

As announced on 1 October 2021, the Company entered into a share sale agreement ("Mendol SPA") with all the shareholders of Mendol Investments Pte. Ltd. ("Mendol", and together with its subsidiaries, "Mendol Group") ("Mendol Vendors") to acquire 100% of the issued shares in Mendol ("Mendol Acquisition"); Mendol Vendors include Strategic Premium Pte. Ltd., Luminous Global Inc., Genprop Pte. Ltd., Wong Ho Kit, Sim Swee Yoke, Golden Prosperity LLP and Tiara Gateway Pte. Ltd. (a wholly-owned subsidiary of Landmarks Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad).

The Company also entered into a share sale agreement ("Seychelles SPA") with Tiara Gateway Pte. Ltd. ("Tiara Vendor"), being one of the vendors in the Mendol SPA, to acquire (i) 100% of the issued shares in Hinako Investments Pte. Ltd. and (ii) 60% of the issued shares in Prime Holdings Pte. Ltd., Enggano Investments Pte. Ltd. and Mesawak Investments Pte. Ltd.

The proposed Mendol Acquisition and Seychelles Acquisition will be for an aggregate consideration of S\$78,363,393 to be satisfied by the allotment and issue of an aggregate 15,672,678,600 new ordinary shares in the capital of the Company ("Shares") at the issue price of S\$0.005 per new Share.

Mendol is incorporated under the laws of Republic of Seychelles, and is the holding company of Mendol Alpha Pte. Ltd. and Mendol Beta Pte. Ltd., which are in turn holding companies of PT Mendol Estate. PT Mendol Estate is the legal owner of 100.0% of Natra Bintan, A Tribute Portfolio Resort ("Hotel"), which is in turn located on premises on the island of Bintan (Riau Province) in Indonesia. The Hotel comprises 100 luxury glamping tents and leisure and food and beverage facilities, that sits on a site measuring approximately 52,031 square metres of land.

The Seychelles Companies own the land lot which the Hotel sits on, as well as the land lots measuring an aggregate of approximately 82,978 square metres which are in close proximity to the Hotel, and the properties and assets thereon.

The Proposed Acquisition is subject to various conditions precedent, including approval by the shareholders of the Company. 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 enclosing the notice of EGM therewith, will be despatched by the Company to Shareholders in due course.

Property Development

As announced on 15 September 2021, the Company's indirect wholly-owned subsidiary, Trackplus Sdn. Bhd., has entered into a sale and purchase agreement with Armani Alliance Sdn. Bhd. ("Armani") for the sale of a property located at No. 8 Jalan Lompat Galah 13/36, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan, Malaysia, ("Property") for an aggregate consideration of RM20.0 million (approximately S\$6.5 million).

The Proposed Disposal is conditional upon, inter alia, the fulfilment of conditions precedent within three (3) months from the date of the SPA or such other period mutually agreed in writing between the Parties ("Cut-Off Date"). The Company has received a refundable deposit of RM2.0 million (approximately S\$0.64 million), from Armani in September 2021 as part of the conditions precedent. The balance consideration is to be paid within four (4) months from the date on which the SPA becomes unconditional in accordance with the terms of the SPA.

On 8 December 2021, the Company and Armani have agreed on a 3-month time extension from 14 December 2021 to 14 March 2022 to fulfil the conditions precedent.

The Proposed Disposal constitutes a major transaction under Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited, and is subject to the approval of the shareholders of the Company ("Shareholders"). On 18 February 2022, the Company has announced that an extraordinary general meeting ("EGM") will be convened on 14 March 2022 to seek the approval of Shareholders for the Proposed Sale. The circular containing inter alia, further information on the Proposed Disposal and enclosing the notice of EGM therewith, is included in the announcement.

Other businesses

(a) Rights cum Warrants Issue

As announced on 1 October 2021, the Company has proposed a renounceable non-underwritten rights cum warrants issue of up to 10,810,860,196 new Shares ("Rights Shares") with up to 32,432,580,588 free detachable and transferable warrants ("Warrants"), assuming completion of the Proposed Acquisition in Note (c) above, or up to 6,892,690,546 Rights Shares with up to 20,678,071,638 Warrants, in the event the Proposed Acquisition is not completed.

The allotment ratio is One (1) Rights Share for every four (4) existing Shares held by Entitled Shareholders (as defined herein) as at a record date to be determined by the Board ("Record Date"), fractional entitlements to be disregarded, and three (3) Warrants for every one (1) Rights Share subscribed, at Issue price of S\$0.001 per Rights Share ("Issue Price") and exercise price of S\$0.001 per Warrant ("Exercise Price") for each new Share ("Warrant Shares").

As at 1 October 2021, the Company has an Existing Share Capital comprising 27,570,762,183 Shares and 1,160,000,000 outstanding options under the Company's Employee Share Option Scheme 2013 ("Options"), which are exercisable not earlier than the first anniversary of 17 June 2021, being the date of grant of the Options. Assuming Completion of the Proposed Acquisition in Note (c) and none of the Options are exercised, the Company will have an Enlarged Share Capital comprising 43,243,440,783 Shares.

Assuming 100% of the Rights cum Warrants Issue is subscribed, the Company will receive net proceeds (after deducting estimated costs and expenses of approximately S\$0.4 million for the Rights cum Warrants Issue and without taking into account the proceeds from the exercise of the Warrants) ("Net Proceeds") of approximately S\$10.4 million if the Proposed Acquisition in Note (c) is completed or Net Proceeds of approximately S\$6.5 million in the event the Proposed Acquisition is not completed.

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

(b) Proposed Adoption of New Constitution and Change of Name

In order to update and streamline the provisions generally to be in line with the amendments made to the Companies Act under the 2004 Amendment Act, the 2005 Amendment Act, the 2014 Amendment Act and the 2017 Amendment Act, the Company is proposing to adopt the New Constitution in place of the existing Memorandum and Articles.

The Company is also proposing to change its name from "Blumont Group Ltd." to "Southern Archipelago Ltd." as the Board believes that the Proposed Change of Name will better represent the Company's geographical focus and business strategy.

On 18 February 2022, the Company has announced that an extraordinary general meeting ("EGM") will be convened on 14 March 2022 to seek the approval of Shareholders for the Proposed Adoption of New Constitution and Change of Name.

Overall business updates

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.

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 second half and full year ended 31 December 2021.

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 year ended 31 December 2021 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.

9. Review of performance of the Group – turnover and earnings

Please refer to point 2 above.

10. Breakdown of sales

	<u>Financial year</u> <u>ended 31 Dec 2021</u> S\$'000	<u>Group</u> <u>Financial year</u> <u>ended 31 Dec 2020</u> S\$'000	<u>%</u> <u>Increase/(decrease)</u> <u>S\$'000</u>
Sales reported for first half year	1,783	2,115	(16)
Operating profit after tax before deducting non-controlling interests reported for first half year	39	54	(28)
Sales reported for second half year	2,121	1,384	53
Operating (loss) after tax before deducting non-controlling interests reported for second half year	(4,946)	(432)	1045

11. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD
Blumont Group Ltd.

John Lee Yow Meng
Chief Financial Officer and Executive Director
24 February 2022