

BLUMONT

博诺有限公司

BLUMONT GROUP LTD.

(Company Registration No. 199302554G)

(Incorporated in the Republic of Singapore)

THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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Unaudited Results for The Third Quarter And Nine Months Ended 30 September 2018

The Board of Directors of Blumont Group Ltd wishes to announce the following unaudited results of the Group for the third quarter and nine months ended 30 September 2018.

1. Consolidated Income Statement

	GROUP			GROUP		
	S\$'000		%	S\$'000		%
	3Q2018	3Q2017	Increase/ (Decrease)	9M2018	9M2017	Increase/ (Decrease)
Revenue	1,140	968	18	2,937	2,698	9
Other gains/(losses) – net	132	15	780	1,248	(1,729)	NM
Expenses						
Raw materials and consumables used	(37)	(7)	429	(68)	(51)	33
Employee benefits	(428)	(614)	(31)	(1,373)	^(1,533)	(10)
Others	(594)	(613)	(3)	(1,809)	(1,707)	6
Impairment loss on financial assets, available-for-sale	* (-)	* (-)	NM	* (-)	(4)	NM
Finance costs	(109)	(28)	289	(259)	(29)	793
Total expenses	(1,168)	(1,262)		(3,509)	(3,324)	
Profit/(Loss) before income tax	104	(279)		676	(2,355)	
Income tax	5	2	150	26	26	NM
PROFIT/(LOSS) FOR THE PERIOD	109	(277)		702	(2,329)	

NM: Not Meaningful

^: Adjusted and audited as at 31 December 2017

*: < S\$1,000

2. Consolidated Statement of Comprehensive Income

	GROUP			GROUP		
	S\$'000		%	S\$'000		%
	3Q2018	3Q2017	Increase/ (Decrease)	9M2018	9M2017	Increase/ (Decrease)
Profit/(Loss) for the period	109	(277)		702	(2,329)	
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation loss						
- on translating foreign operations	(388)	(116)	234	(2,285)	(377)	506
- reclassified to profit or loss on dissolution of a dormant subsidiary	-	-	NM	882	907	(3)
Cumulative gain in fair value of financial assets, available-for-sale reclassified to profit or loss	* -	-	NM	* -	-	NM
Other comprehensive (loss)/income for the period, net of tax	(388)	(116)		(1,403)	530	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(279)	(393)		(701)	(1,799)	
Profit/(Loss) for the period attributable to:						
Owners of the Company	91	(409)	NM	485	(2,618)	NM
Non-controlling interests	18	132	(86)	217	289	(25)
	109	(277)		702	(2,329)	
Total comprehensive (loss)/income for the period attributable to:						
Owners of the Company	(301)	(500)	(40)	(898)	(2,004)	(55)
Non-controlling interests	22	107	(79)	197	205	(4)
	(279)	(393)		(701)	(1,799)	
Profit/(Loss) per share attributable to owners of the Company (expressed in cents)						
- Basic	0.0003	(0.0015)	NM	0.0018	(0.0095)	NM
- Diluted	0.0003	(0.0015)	NM	0.0018	(0.0095)	NM

NM: Not Meaningful

^: Adjusted and audited as at 31 December 2017

*: < S\$1,000

3. Notes to Consolidated Income Statement and Other Comprehensive Income

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

	GROUP			GROUP		
	S\$'000		%	S\$'000		%
	3Q2018	3Q2017	Increase/ (Decrease)	9M2018	9M2017	Increase/ (Decrease)
<u>Other gains/(losses) – net comprise of:</u>						
Net fair value gain/(loss) on financial assets, at fair value through profit or loss	-	(53)	NM	40	-	NM
Loss on striking-off of a dormant subsidiary	-	-	NM	-	(1,869)	NM
Gain on dissolution of a dormant subsidiary	-	-	NM	882	-	NM
Net currency exchange gain	129	49	163	263	94	179
Miscellaneous income	3	10	(70)	63	42	50
<u>Other expenses comprise of:</u>						
Depreciation of property and equipment	(152)	(136)	12	(437)	(414)	6
Professional and consultancy fees	(213)	(221)	(4)	(537)	(381)	41
(Provision for)/Write-back of provision withholding tax expense	(14)	73	NM	(38)	170	NM
<u>Finance costs comprise of:</u>						
Interest expense	(109)	(28)	289	(259)	(29)	793
- Bank loans	(35)	(26)	34	(109)	(26)	319
- Shareholder's loans	(19)	-	NM	(37)	-	NM
- Shareholder's bridging loan	(55)	-	NM	(113)	-	NM
- Others	* (-)	(2)	NM	* (-)	(3)	NM

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

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

	GROUP			GROUP		
	S\$'000		%	S\$'000		%
	3Q2018	3Q2017	Increase/ (Decrease)	9M2018	9M2017	Increase/ (Decrease)
Income tax comprises:						
Current income tax	-	* (-)	NM	* (-)	(1)	NM
Deferred tax	5	4	25	26	29	(10)
	5	4		26	28	
Under-provision in prior period	-	(2)	NM	-	(2)	NM
	5	2		26	26	

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

4. Statement of Financial Position

	GROUP			COMPANY		
	S\$'000		%	S\$'000		%
	As at 30/09/2018	As at 31/12/2017	Increase/ (Decrease)	As at 30/09/2018	As at 31/12/2017	Increase/ (Decrease)
ASSETS						
Current assets						
Cash and bank balances	624	930	(33)	149	522	(71)
Financial assets, at fair value through profit or loss	120	80	50	120	80	50
Trade and other receivables	559	603	(7)	-	25	NM
Other current assets	499	^ 992	(50)	46	84	(45)
Development properties	4,590	4,582	** -	-	-	NM
Assets held for sale	1,189	1,187	** -	-	-	NM
	7,581	8,374		315	711	

4. Statement of Financial Position (Con't)

	GROUP			COMPANY		
	As at 30/09/2018	As at 31/12/2017	% Increase/ (Decrease)	As at 30/09/2018	As at 31/12/2017	% Increase/ (Decrease)
Non-current assets						
Investments in subsidiaries	-	-	NM	105	105	NM
Loans to subsidiaries	-	-	NM	11,141	8,016	39
Financial assets, available-for-sale	* -	1	NM	* -	1	NM
Property and equipment	4,716	4,273	10	47	18	161
Deferred tax assets	300	296	1	-	-	NM
	5,016	4,570		11,293	8,140	
Total assets	12,597	12,944		11,608	8,851	
LIABILITIES						
Current liabilities						
Trade and other payables	2,212	[^] 3,298	(33)	1,723	[^] 1,895	(9)
Borrowings	5,095	[^] 2,135	139	4,500	[^] 1,500	200
Loan from a subsidiary	-	-	NM	3,452	2,563	35
Current income tax liabilities	-	43	NM	-	-	NM
	7,307	5,476		9,675	5,958	
Net Current Assets/(Liabilities)	274	2,898		(9,360)	(5,247)	
Non-current liabilities						
Employee compensation	998	1,003	** -	-	-	NM
Borrowings	563	745	(24)	-	-	NM
	1,561	1,748		-	-	
Total liabilities	8,868	7,224		9,675	5,958	
Net assets	3,729	5,720		1,933	2,893	
EQUITY						
Equity attributable to owners of the Company						
Share capital	127,339	127,339	NM	127,339	127,339	NM
Reserves	(4,233)	[^] (4,607)	(8)	-	* -	NM
Accumulated losses	(119,377)	[^] (119,862)	** -	(125,406)	(124,446)	1
	3,729	2,870		1,933	2,893	
Non-controlling interests	-	[^] 2,850	NM	-	-	NM
Total equity	3,729	5,720		1,933	2,893	

NM: Not Meaningful

[^]: Adjusted and audited as at 31 December 2017

**<1%

*: < S\$1,000

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

Amount repayable not later than one year				Amount repayable after one year			
As at 30/09/2018		As at 31/12/2017		As at 30/09/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1,095	4,000	1,135	1,000	563	-	745	-

Details of any collateral

Pertaining to the secured borrowings, the Group has loans from banks secured by:

- The land and building of PT Rel-ion Sterilization Services granted in favour of the lender; and
- A fixed deposit from a shareholder.

5. Consolidated Statement of Cash Flows

	GROUP S\$'000		GROUP S\$'000	
	3Q2018	3Q2017	9M2018	9M2017
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	104	(279)	676	^(2,355)
Adjustments for:				
Unrealised foreign exchange gain	(82)	(37)	(140)	(85)
Depreciation of property and equipment	152	136	437	414
Interest expense	109	28	259	29
Interest income	* (-)	(1)	(2)	(1)
Loss on disposal of financial assets, available-for-sale	-	-	-	(5)
Net fair value loss/(gain) on financial assets, at fair value through profit or loss	-	53	(40)	* (-)
Allowance for impairment loss on financial assets, available-for-sale	-	* -	* -	4
Gain on disposal of property and equipment	-	(10)	* -	(8)
Property and equipment written off	-	-	4	-
Gain on dissolution of a dormant subsidiary	-	-	(882)	-
Other payables written-off	(3)	-	(3)	-
Loss on striking-off of a dormant subsidiary	-	-	-	1,869
Share-based compensation expenses	-	-	-	^45
Operating cash flows before working capital changes	280	(110)	309	(93)
Changes in operating assets and liabilities				
Receivables	1,064	(153)	(295)	(228)
Payables	189	259	285	192
Cash used in operations	1,533	(4)	299	(129)
Income tax and withholding tax paid	* (-)	(252)	(538)	(453)
Net cash generated from/(used in) operating activities	1,533	(256)	(239)	(582)
Cash Flows from Investing Activities				
Purchase of property and equipment	(190)	(143)	(482)	(535)
Interest received	* -	1	2	1
Proceeds from disposal of property and equipment	-	122	* -	124
Purchase of additional interest in subsidiaries	(2,255)	-	(2,255)	-
Proceeds from disposal of asset held-for-sale	-	96	-	96
Proceeds from disposal of financial assets, available-for-sale	-	-	-	33
Net cash (used in)/generated from investing activities	(2,445)	76	(2,735)	(281)
Cash Flows from Financing Activities				
Repayment of finance lease liabilities	-	(68)	-	(84)
Payment of share issue expenses	-	* (-)	-	* (-)
Repayment of borrowings	(82)	(73)	(222)	(73)
Interest paid	(29)	(28)	(94)	(29)
Proceeds from borrowings	1,055	-	3,000	1,044
Net cash generated from/(used in) financing activities	944	(169)	2,684	858
Net increase/(decrease) in cash and cash equivalents	32	(349)	(290)	(5)
Cash and cash equivalents at the beginning of the period	607	840	930	498
Effect of changes in foreign exchange rates on cash and cash equivalents	(15)	(5)	(16)	(7)
Cash and cash equivalents at the end of the period	624	486	624	486

*: < S\$1,000

^: Adjusted and audited as at 31 December 2017

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

	At 1 January 2018	Cash flows		Non-cash changes	At 30 September 2018
	S\$'000	Proceeds S\$'000	Repayments S\$'000	S\$'000	S\$'000
Loans from banks	1,880	-	(222)	-	1,658
Loans from a shareholder	1,000	2,300	-	-	3,300
Bridging loan	-	700	-	-	700
	<u>2,880</u>	<u>3,000</u>	<u>(222)</u>	<u>-</u>	<u>5,658</u>
Classified as:					
Current borrowings	2,135				5,095
Non-current borrowings	745				563
	<u>2,880</u>				<u>5,658</u>

6. Statement of Changes in Equity

6a. Statement of Changes in Equity of the Group

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Other reserve	Accumulated losses	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H2018								
Balance at 1 January 2018	127,339	* -	(4,585)	(22)	(119,862)	2,870	2,850	5,720
Profit for the period	-	-	-	-	394	394	199	593
Other comprehensive (loss)/income, net of tax:								
Cumulative gain in fair value of financial assets, available-for-sale reclassified to profit or loss	-	* (-)	-	-	-	* (-)	-	* (-)
Foreign currency translation:								
- Loss on translating foreign operations	-	-	(1,873)	-	-	(1,873)	(24)	(1,897)
- Reclassified to profit or loss on dissolution of a dormant subsidiary	-	-	882	-	-	882	-	882
Total comprehensive (loss)/income for the period	-	-	(991)	-	394	(597)	175	(422)
Balance at 30 June 2018	127,339	-	(5,576)	(22)	(119,468)	2,273	3,025	5,298
3Q2018								
Profit for the period	-	-	-	-	91	91	18	109
Other comprehensive loss, net of tax:								
Foreign currency translation loss	-	-	(392)	-	-	(392)	4	(388)
Total comprehensive (loss)/income for the period	-	-	(392)	-	91	(301)	22	(279)
Acquisition of additional interest in subsidiaries	-	-	-	1,757	-	1,757	(3,047)	(1,290)
Balance at 30 September 2018	127,339	-	(5,968)	1,735	(119,377)	3,729	-	3,729
1H2017								
Balance at 1 January 2017	127,294	-	(5,214)	(984)	(115,999)	5,097	2,740	7,837
(Loss)/Profit for the period	-	-	-	-	(2,209)	(2,209)	157	(2,052)
Other comprehensive loss, net of tax:								
Foreign currency translation loss	-	-	705	-	-	705	(59)	646
Total comprehensive income/(loss) for the period	-	-	705	-	(2,209)	(1,504)	98	(1,406)
Issue of shares	^45	-	-	-	-	45	-	45
Striking off a dormant subsidiary	-	-	-	962	-	962	-	962
Balance at 30 June 2017	127,339	-	(4,509)	(22)	(118,208)	4,600	2,838	7,438
3Q2017								
(Loss)/Profit for the period	-	-	-	-	(409)	(409)	132	(277)
Other comprehensive loss, net of tax:								
Foreign currency translation loss	-	-	(91)	-	-	(91)	(25)	(116)
Total comprehensive (loss)/income for the period	-	-	(91)	-	(409)	(500)	107	(393)
Share issue expenses	* (-)	-	-	-	-	* (-)	-	* (-)
Balance at 30 September 2017	127,339	-	(4,600)	(22)	(118,617)	4,100	2,945	7,045

6b. Statement of Changes in Equity of the Company

1H2018

Balance at 1 January 2018

Loss for the period

Other comprehensive loss, net of tax:

Cumulative gain in fair value of financial assets, available-for-sale reclassified to profit or loss

Total comprehensive loss for the period

Balance at 30 June 2018

Share capital S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
127,339	* -	(124,446)	2,893
-	-	(1,094)	(1,094)
-	* (-)	-	* (-)
-	-	(1,094)	(1,094)
127,339	-	(125,540)	1,799

3Q2018

Profit for the period

Total comprehensive income for the period

Balance at 30 September 2018

-	-	134	134
-	-	134	134
127,339	-	(125,406)	1,933

1H2017

Balance at 1 January 2017

Loss for the period

Total comprehensive loss for the period

Issue of shares

Balance at 30 June 2017

127,294	-	(121,657)	5,637
-	-	^(1,039)	^(1,039)
-	-	(122,696)	4,598
^45	-	-	45
127,339	-	(122,696)	4,643

3Q2017

Loss for the period

Total comprehensive loss for the period

Share issue expenses

Balance at 30 September 2017

-	-	(629)	(629)
-	-	(629)	(629)
* (-)	-	* (-)	* (-)
127,339	-	(123,325)	4,014

*: < S\$1,000

^: Adjusted and audited as at 31 December 2017

6c. Changes in the Company's share capital

Issued and paid up share capital

	No. of shares	Amount S\$
As at 1 July 2018 and 30 September 2018	27,570,762,183	127,338,850

As at 30 September 2018, the Company did not hold any treasury shares (30 September 2017: Nil).

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

No share options under the Blumont ESOS 2013 have been granted for the third quarter and nine months ended 30 September 2018 (30 September 2017: Nil).

Performance Share Plan ("Blumont PSP")

No incentive share awards under the Blumont PSP have been granted for the third quarter and nine months ended 30 September 2018 (30 September 2017: 45,000,000).

7. Audit Statement

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

The figures have not been audited or reviewed.

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

Not applicable.

8. Changes in Accounting Policies

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those as disclosed under paragraph 10.

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

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

The adoption of SFRS(I) requires the Group to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards*.

The following are amendments of SFRS(I) that are relevant to the Group and the Company's operations and are effective for the annual periods beginning on or after 1 January 2018:

SFRS(I) 15 *Revenue from Contracts with Customers*
SFRS(I) 9 *Financial Instruments*

The adoption of these SFRS(I) standards did not have any significant impact on the financial performance or financial position of the Group except for the following:

(a) Application of SFRS(I) 1 *First time Adoption of International Financial Reporting Standards*

The Group has not elected to set the accumulated translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017. However, on 26 March 2018, a wholly-owned subsidiary, Powerlite Ventures Limited has been dissolved. Translation gain amounting to S\$0.88 million has been recognised in profit or loss as part of gain on dissolution of a dormant subsidiary for the first quarter ended 31 March 2018.

The Group has elected not to apply SFRS(I) 3 *Business Combination*, retrospectively to business combinations occurring before the date of transition to SFRS(I). Accordingly, there is no impact to the financial statements.

(b) SFRS(I) 15 *Revenue from Contracts with Customers*

The Group has assessed the impact of SFRS(I) 15 and concluded that there is no impact to the financial statements.

(c) Adoption of SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 is effective for the financial years beginning on or after 1 January 2018. The Group has elected to apply the short term exemption under SFRS(I) 1, which exempts the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of FRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017.

Classification and measurement

The Group has assessed the business models for managing its financial assets and the contractual cash flow characteristics of such financial assets to determine the appropriate classification for each financial asset under SG-IFRS 9.

As a result, certain balance sheet items were classified as follows:

Accounts	Per Singapore FRS 39 (Up to 31 December 2017)	Per SFRS(I) 9 (Effective from 1 January 2018)
Current assets		
Cash and bank balances	Loans and receivables	Amortised cost
Trade receivables	Loans and receivables	Amortised cost
Financial assets, at fair value through profit or loss	Financial assets, at fair value through profit or loss	Financial assets, at fair value through profit or loss

- 8c. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change. (Con't)

Non-current assets

Financial assets, available-for-sale Financial assets, available-for-sale Fair value through other comprehensive income

Impairment of financial assets

Financial assets are subject to an expected credit loss impairment model under SG-IFRS 9. The Group has assessed and concluded that the expected credit loss impairment model to have no significant impact to the financial statements.

9. Profit/(Loss) Per Ordinary Share

Profit/(Loss) per share for loss attributable to the owners of the Company	GROUP		GROUP	
	3Q2018	3Q2017	9M2018	9M2017
(i) On the weighted average number of ordinary shares in-issue (in cents)	0.0003	(0.0015)	0.0018	(0.0095)
- Weighted average number of shares	27,570,762,183	27,570,762,183	27,570,762,183	27,542,905,040
(ii) On a fully diluted basis (in cents)	0.0003	(0.0015)	0.0018	(0.0095)
- Adjusted weighted average number of shares	27,570,762,183	27,570,762,183	27,570,762,183	27,542,905,040

10. Net Asset Value Per Ordinary Share

	GROUP		COMPANY	
	As at 30/09/2018	As at 31/12/2017	As at 30/09/2018	As at 31/12/2017
Net asset value per ordinary share based on issued share capital at the end of the financial year (owners of the Company) (in cents)	0.013	0.010	0.007	0.010

11. Review of Group's Performance

Commentary on the Consolidated Income Statement and Statement of Comprehensive Income

Revenue

The Group's revenue was S\$1.14 million for 3Q2018, which was S\$0.17 million or 18% higher as compared to S\$0.97 million for 3Q2017. The increase was mainly due to currency exchange gains and higher average selling price in 3Q2018 as compared to 3Q2017.

Other gains/(losses) – net

Other gains was S\$0.13 million for 3Q2018, mainly due to currency exchange gain of S\$0.13 million in 3Q2018. The increment of other gains was S\$1.25 million for 9M2018, mainly due to gain on dissolution of a dormant subsidiary of S\$0.88 million, currency exchange gain of S\$0.26 million and miscellaneous income of S\$0.06 million. This was contrasted with net losses of S\$1.73 million in 9M2017, mainly due to loss on strike-off of a dormant subsidiary.

Expenses

Raw materials and consumables used increased by approximately S\$30,000 to S\$37,000 in 3Q2018 (3Q217: S\$7,000) and S\$17,000 in 9M2018 (9M2017: S\$51,000). The increase of raw materials and consumables used were in line with the increase in sterilization segment revenue.

Employee benefits decreased by S\$0.18 million to S\$0.43 million for 3Q2018 (3Q2017: S\$0.61 million) and by S\$0.16 million to S\$1.37 million for 9M2018 (9M2017: S\$1.53 million), mainly due to cost cutting measures undertaken by the Company as well as foreign currency fluctuation.

Finance costs increased by S\$0.08 million to S\$0.11 million in 3Q2018 (3Q2017: S\$0.03 million) and by S\$0.23 million to S\$0.26 million in 9M2018 (9M2017: S\$0.03 million), mainly due to interest on bank loans, as well as shareholder's loans and bridging loan.

11. Review of performance (Group) (Con't)

Income Tax

Income tax credit increased by S\$3,000 to S\$5,000 for 3Q2018 (3Q2017: S\$2,000) mainly due to higher deferred tax recognised in 3Q2018 of S\$2,000 and reversal of over-provision of income tax by S\$1,000 in 3Q2018.

Other Comprehensive Loss

Foreign currency translation loss on translating foreign operations of S\$0.39 million for 3Q2018 (3Q2017: S\$0.12 million) and S\$2.29 million for 9M2018 (9M2017: S\$0.38 million) relates to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rate*.

In 9M2018, the Group reclassified foreign translation of S\$0.88 million (9M2017: S\$0.91 million) resulting from dissolution of a dormant subsidiary to profit or loss in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rate*.

Commentary on the Statement of Financial Position

Cash and bank balances decreased by S\$0.31 million or 33% from S\$0.93 million as at 31 December 2017 to S\$0.62 million as at 30 September 2018. The decrease was mainly due to payment of IRAS withholding taxes and purchase of property and equipment.

Financial assets, at fair value through profit or loss increased by S\$0.04 million or 50% from S\$0.08 million as at 31 December 2017 to S\$0.12 million as at 30 September 2018. The increase of S\$0.04 million in financial assets, at fair value through profit or loss was mainly due to mark-to-market adjustment of quoted equity shares held. Financial assets, at fair value through profit or loss are stated at fair value at the end of each reporting period.

Other current assets decreased by S\$0.49 million or 50% from S\$0.99 million as at 31 December 2017 to S\$0.50 million as at 30 September 2018, mainly due to decrease in prepayments for cobalt by S\$0.57 million for the operations of PT Rel-ion Sterilization Services as the cobalt was delivered in FY2018.

Property and equipment increased by S\$0.45 million or 10% from S\$4.27 million as at 31 December 2017 to S\$4.72 million as at 30 September 2018, mainly due to acquisition of additional cobalt for the operations of PT Rel-ion Sterilization Services.

Trade and other payables decreased by S\$1.09 million or 33% from S\$3.30 million as at 31 December 2017 to S\$2.21 million as at 30 September 2018, mainly due to repayments of S\$1.1 million for withholding taxes of S\$0.50 million to IRAS and other payables, partly offset by increase in interest payable of S\$0.17 million due to additional loans taken by the Company in 2018.

Current and non-current borrowings increased by S\$2.78 million from S\$2.88 million as at 31 December 2017 to S\$5.66 million as at 30 September 2018, mainly due to draw down of total shareholder's loans during the period, offset by repayment of bank borrowings during the period.

12. Variance from Previous Forecast / Prospect Statement

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

13. Outlook and Prospects

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

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

Below are updates on the Group's operations:

(a) Proposed acquisition of Samadhi Retreats Pte Ltd

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

13. Outlook and Prospects (Con't)

(a) Proposed acquisition of Samadhi Retreats Pte Ltd (Con't)

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 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.

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

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

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

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

14. Dividend

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period reported on?
No.

(b) Corresponding Period of the Immediately Preceding Financial Year.

Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect.

The Board of Directors does not recommend any payment of dividends for the third quarter and nine months ended 30 September 2018.

15. General Mandate from Shareholders for Interested Party Transactions

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

16. Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the third quarter and nine months ended 30 September 2018 to be false or misleading.

On behalf of the Board of Directors

Siaw Lu Howe
Executive Chairman
and Chief Executive Officer

Calvin Lim Huan Kim
Lead Independent Director

17. Confirmation Pursuant to Rule 720(1) of the Listing Manual

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

BY ORDER OF THE BOARD
Blumont Group Ltd.

Siaw Lu Howe
Executive Chairman and Chief Executive Officer
7 November 2018