BLUMONT
博诺有限公司

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

Unaudited Results for the Second Quarter and Half Year Ended 30 June 2016 Financial Statements and Dividend Announcement

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) Consolidated statement of profit or loss and other comprehensive (loss)/income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP			GROUP		
	S$'000		%	S$'000		%
	2Q2016	2Q2015	Increase/ (Decrease)	1H2016	1H2015	Increase/ (Decrease)
Revenue	944	946	(*)	1,843	1,847	(*)
Other gains/(losses) – net	275	438	(37)	1,643	(5,332)	NM
Expenses						
Raw materials and consumables used	(21)	(28)	(25)	(54)	(68)	(21)
Employee benefits	(467)	(512)	(9)	(928)	(975)	(5)
Others	(2,762)	(1,976)	40	(4,700)	(5,081)	(7)
Write-back of/(Allowance for) impairment loss on financial assets, available-for-sale	66	(418)	NM	(5,551)	(816)	100
Dilution loss on investment in an associate	(352)	-	NM	(352)	-	NM
Write-back of/(Allowance for) impairment loss on investment in an associate	352	(1,740)	NM	352	(1,740)	NM
Share of loss of an associate	-	-	NM	-	-	NM
Finance costs	(1,306)	(890)	47	(2,502)	(2,052)	22
Total expenses	**(4,490)**	**(5,564)**		**(13,735)**	**(10,732)**	
Loss before income tax	**(3,271)**	**(4,180)**		**(10,249)**	**(14,217)**	
Income tax	4	5	(20)	8	26	(69)
LOSS FOR THE PERIOD	**(3,267)**	**(4,175)**		**(10,241)**	**(14,191)**	
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss)/gain	(168)	(516)	(67)	113	(614)	NM
Net change in fair value of financial assets, available-for-sale	761	188	100	761	1,117	(32)
Cumulative changes in fair value of financial assets, available-for-sale reclassified to profit or loss	37	-	NM	(1,341)	-	NM
Other comprehensive income/(loss) for the period, net of tax	**630**	**(328)**		**(467)**	**503**	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(2,637)**	**(4,503)**		**(10,708)**	**(13,688)**	
Loss for the period attributable to:						
Owners of the Company	(3,457)	(4,313)	(20)	(10,609)	(14,554)	(27)
Non-controlling interests	190	138	38	368	363	1
	(3,267)	**(4,175)**		**(10,241)**	**(14,191)**	
Total comprehensive loss for the period attributable to:						
Owners of the Company	(2,794)	(4,472)	38	(11,109)	(13,826)	(20)
Non-controlling interests	157	(31)	NM	401	138	100
	(2,637)	**(4,503)**		**(10,708)**	**(13,688)**	
Loss per share attributable to owners of the Company (expressed in cents)						
- Basic	**(0.08)**	**(0.15)**	**(47)**	**(0.24)**	**(0.52)**	**(0.54)**
- Diluted	**(0.08)**	**(0.15)**	**(47)**	**(0.24)**	**(0.52)**	**(0.54)**

NM : Not Meaningful
* : < 1%

Notes to the consolidated statement of profit or loss and other comprehensive (loss)/income

i) Loss before income tax is after (charging)/crediting:

	GROUP			GROUP		
	S$'000		%	S$'000		%
	2Q2016	2Q2015	Increase/ (Decrease)	1H2016	1H2015	Increase/ (Decrease)
Net gain/(loss) on disposal of:						
- financial assets, available-for-sale	-	(8)	NM	-	489	NM
- financial assets, at fair value through profit or loss	(6)	(1,616)	(100)	(164)	(3,217)	(95)
Loss on conversion of debt instrument to equity, available-for-sale	-	-	NM	(60)	-	NM
Net fair value (loss)/gain on financial assets, at fair value through profit or loss	(48)	1,715	NM	(520)	(1,776)	(71)
Gain/(Loss) on disposal of property and equipment	-	(1)	NM	1	(1)	NM
Loss on property and equipment written off	-	(95)	NM	-	(112)	NM
Net currency exchange gain/(loss)	12	722	(98)	1,983	(603)	NM
Interest income						
- Celsius Coal Limited Convertible Note	-	-	NM	-	83	NM
- Cokal Limited Convertible Loan	58	57	2	117	114	3
- bank balances	21	14	50	36	32	13
- others	* -	* -	NM	* -	* -	NM
Write-off of other payables	120	-	NM	120	-	NM
Other income relating to claims received from Prospect Resources Limited	107	-	NM	107	-	NM
Interest expense						
- Wintercrest Financing Loans	(1,306)	(888)	47	(2,500)	(1,755)	42
- finance lease liabilities	(1)	(2)	(50)	(2)	(4)	(50)
Amortisation of deferred loan charges	-	-	NM	-	(293)	NM
(Allowance for)/Write-back of impairment loss on other receivables - third parties	(9)	173	NM	(52)	173	NM
Depreciation of property and equipment	(128)	(139)	(8)	(255)	(237)	8
Withholding tax expense	(514)	-	NM	(755)	-	NM
Fair value loss on investment properties	-	(369)	NM	-	(369)	NM

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

ii) Income tax attributable to results is made up of:

	GROUP			GROUP		
	S$'000		%	S$'000		%
	2Q2016	2Q2015	Increase/ (Decrease)	1H2016	1H2015	Increase/ (Decrease)
Income tax comprises:						
Current income tax	(* -)	(1)	NM	(1)	(2)	(50)
Deferred income tax	4	6	(33)	9	16	(44)
	4	**5**		**8**	**14**	
Over-provision in prior period	(* -)	* -	NM	(* -)	12	NM
	4	**5**		**8**	**26**	

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

1(b)(i) A statement of financial position (issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP			COMPANY		
	S$'000		%	S$'000		%
	As at 30/06/2016	As at 31/12/2015	Increase/ (Decrease)	As at 30/06/2016	As at 31/12/2015	Increase/ (Decrease)
ASSETS						
Current assets						
Cash and bank balances	1,862	2,021	(8)	869	64	100
Financial assets, at fair value through profit or loss	67	1,074	(94)	-	2	NM
Trade and other receivables	680	896	(24)	55	152	(64)
Other current assets	562	723	(22)	123	123	NM
Development properties	4,829	4,750	2	-	-	NM
Assets held for sale	1,698	1,670	2	-	-	NM
	9,698	**11,134**		**1,047**	**341**	

Non-current assets						
Investments in subsidiaries	-	-	NM	4,416	4,416	NM
Investment in associate	5,152	5,152	NM	-	-	NM
Loans to subsidiaries	-	-	NM	8,363	8,683	(4)
Financial assets, available-for-sale	4,732	10,849	(56)	4,732	10,849	(56)
Property and equipment	4,430	4,425	*	203	243	(16)
Deferred tax assets	165	156	6	-	-	NM
	14,479	**20,582**		**17,714**	**24,191**	
Total assets	**24,177**	**31,716**		**18,761**	**24,532**	
LIABILITIES						
Current liabilities						
Trade and other payables	23,749	17,439	36	21,668	16,965	28
Borrowings	26,330	27,581	(5)	26,330	27,581	(5)
Current income tax liabilities	35	89	(61)	-	-	NM
	50,114	**45,109**		**47,998**	**44,546**	
Net Current Liabilities	**(40,416)**	**(33,975)**		**(46,951)**	**(44,205)**	
Non-current liabilities						
Employee compensation	628	604	4	-	-	NM
Borrowings	68	84	(19)	68	84	(19)
Deferred tax liabilities	12	12	NM	-	-	NM
	708	**700**		**68**	**84**	
Total liabilities	**50,822**	**45,809**		**48,066**	**44,630**	
Net liabilities	**(26,645)**	**(14,093)**		**(29,305)**	**(20,098)**	
EQUITY						
Equity attributable to owners of the Company						
Share capital	107,094	107,095	(*)	107,094	107,095	(*)
Reserves	(5,397)	(4,875)	11	944	1,525	(38)
Accumulated losses	(130,998)	(120,389)	9	(137,343)	(128,718)	7
	(29,301)	**(18,169)**		**(29,305)**	**(20,098)**	
Non-controlling interests	**2,656**	**4,076**	**(35)**	**-**	**-**	**NM**
Total equity	**(26,645)**	**(14,093)**		**(29,305)**	**(20,098)**	

NM : Not Meaningful
* : < 1%

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable not later than one year					**Amount repayable after one year**			
As at 30/06/2016		**As at 31/12/2015**			**As at 30/06/2016**		**As at 31/12/2015**	
Secured	**Unsecured**	**Secured**	**Unsecured**		**Secured**	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**		**S$'000**	**S$'000**	**S$'000**	**S$'000**
26,330	-	27,581	-		68	-	84	-

Details of any collateral

Pertaining to the secured borrowings, the Group has granted in favour of the lenders the following as at 30 June 2016:

(i) Finance lease liabilities of the Group are secured by the rights to the leased motor vehicles with net carrying amount of S$0.14 million (31 December 2015: S$0.16 million), which would revert to the lessors in the event of default by the Group.

(ii) The financing facility of the Group is secured by:
   a. All investments owned by the Company whose principal activities consist of exploration for or extraction of minerals, oil or gas (excluding any company that purely provides services or equipment to other companies engaged in such activities) with a carrying amount of S$9.88 million. (31 December 2015: S$16.00 million);
   b. The Company's shares in Blumont Copper Pte. Ltd. and Powerlite Ventures Limited with a carrying amount of S$3.31 million (31 December 2015: S$3.31 million);
   c. The Company's bank account amounting to S$0.86 million (31 December 2015: S$0.05 million); and
   d. All monetary claims owing to the Company from Blumont Copper Pte. Ltd., Powerlite Ventures Limited and Cokal Limited with a carrying amount of S$0.01 million (31 December 2015: S$0.01 million).

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		GROUP	
	S$'000		S$'000	
	2Q2016	2Q2015	1H2016	1H2015
Cash Flows from Operating Activities				
Loss before income tax	(3,271)	(4,180)	(10,249)	(14,217)
Adjustments for:				
Unrealised foreign exchange (gain)/loss	2	(666)	(1,243)	405
Depreciation of property and equipment	128	139	255	237
Allowance for/(Write-back of) impairment loss on other receivables - third parties	9	(173)	52	(173)
Interest expense	1,307	890	2,502	1,759
Interest income	(79)	(71)	(153)	(229)
Amortisation of deferred loan charges	-	-	-	293
Net fair value loss/(gain) on financial assets, at fair value through profit or loss	48	(1,715)	520	1,776
Loss on property and equipment written off	-	95	-	112
(Write-back of)/Allowance for impairment loss on financial assets, available-for-sale	(66)	418	5,551	816
Loss on conversion of debt instrument to equity, available-for-sales	-	-	60	-
Net gain on disposal of financial assets, available-for-sale	-	8	-	(489)
(Gain)/Loss on disposal of property and equipment	-	1	(1)	1
Withholding tax expense	514	-	755	-
(Write-back of)/Allowance for impairment loss on investment in associate	(352)	1,740	(352)	1,740
Dilution loss on investment in an associate	352	-	352	-
Fair value loss on investment properties	-	369	-	369
Write-off of other payables	(120)	-	(120)	-
Operating cash flows before working capital changes	**(1,528)**	**(3,145)**	**(2,071)**	**(7,600)**
Changes in operating assets and liabilities				
Financial assets, at fair value through profit or loss	13	2,040	487	4,298
Receivables	438	769	374	(1,161)
Payables	1,779	589	2,188	3,570
Cash generated from/(used) in operations	**702**	**253**	**978**	**(893)**
Income tax paid	(55)	(332)	(56)	(364)
Net cash generated from/(used in) operating activities	**647**	**(79)**	**922**	**(1,257)**
Cash Flows from Investing Activities				
Purchase of property and equipment	(64)	(1,897)	(267)	(2,011)
Interest received	21	14	36	32
Proceeds from disposal of property and equipment	-	14	10	14
Purchase of additional shareholding in a subsidiary	(500)	-	(500)	-
Net cash used in investing activities	**(543)**	**(1,869)**	**(721)**	**(1,965)**
Cash Flows from Financing Activities				
Repayment of finance lease liabilities	(8)	(14)	(16)	(66)
Payment of share issue expenses	-	-	(1)	(64)
Dividends paid to non-controlling shareholder of a subsidiary	(343)	-	(343)	-
Interest paid	(1)	(2)	(2)	(4)
Net proceeds from issuance of ordinary shares	-	-	-	1,705
Net cash (used in)/generated from financing activities	**(352)**	**(16)**	**(362)**	**1,571**
Net decrease in cash and cash equivalents	(248)	(1,964)	(161)	(1,651)
Cash and cash equivalents at the beginning of the period	2,109	4,245	2,019	3,956
Effects of exchange rate changes on cash and cash equivalents	(2)	(71)	1	(95)
Cash and cash equivalents at the end of the period	**1,859**	**2,210**	**1,859**	**2,210**

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	GROUP		GROUP	
	S$'000		S$'000	
	2Q2016	2Q2015	1H2016	1H2015
Cash at bank and on hand	1,859	1,178	1,859	1,178
Short-term bank deposits	3	1,035	3	1,035
	1,862	**2,213**	**1,862**	**2,213**
Less: Bank balances and deposits pledged	(3)	(3)	(3)	(3)
Cash and cash equivalents per consolidated statement of cash flows	**1,859**	**2,210**	**1,859**	**2,210**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Group

		Attributable to owners of the Company						
	Share capital	**Fair value reserve**	**Currency translation reserve**	**Other reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
1Q2016								
Balance at 1 January 2016	107,095	1,525	(4,916)	(1,484)	(120,389)	(18,169)	4,076	(14,093)
(Loss)/Profit for the period	-	-	-	-	(7,152)	(7,152)	178	(6,974)
Other comprehensive (loss)/income, net of tax:								
Net change in fair value of financial assets, available-for-sale	-	(1,378)	-	-	-	(1,378)	-	(1,378)
Foreign currency translation gain	-	-	215	-	-	215	66	281
Total comprehensive (loss)/income for the period	**-**	**(1,378)**	**215**	**-**	**(7,152)**	**(8,315)**	**244**	**(8,071)**
Share issue expenses	(1)	-	-	-	-	(1)	-	(1)
Balance at 31 March 2016	**107,094**	**147**	**(4,701)**	**(1,484)**	**(127,541)**	**(26,485)**	**4,320**	**(22,165)**
2Q2016								
(Loss)/Profit for the period	-	-	-	-	(3,457)	(3,457)	190	(3,267)
Other comprehensive income/(loss), net of tax:								
Net change in fair value of financial assets, available-for-sale	-	798	-	-	-	798	-	798
Foreign currency translation loss	-	-	(135)	-	-	(135)	(33)	(168)
Total comprehensive income/(loss) for the period	**-**	**798**	**(135)**	**-**	**(3,457)**	**(2,794)**	**157**	**(2,637)**
Dividends paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	(343)	(343)
Acquisition of additional interest in a subsidiary	-	-	-	(22)	-	(22)	(1,478)	(1,500)
Balance at 30 June 2016	**107,094**	**945**	**(4,836)**	**(1,506)**	**(130,998)**	**(29,301)**	**2,656**	**(26,645)**

		Attributable to owners of the Company						
	Share capital	Fair value reserve	Currency translation reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
1Q2015								
Balance at 1 January 2015	100,174	-	(3,372)	(1,484)	(90,802)	4,516	4,182	8,698
(Loss)/Profit for the period	-	-	-	-	(10,241)	(10,241)	225	(10,016)
Other comprehensive income/(loss), net of tax:								
Net change in fair value of financial assets, available-for-sale	-	929	-	-	-	929	-	929
Foreign currency translation loss	-	-	(42)	-	-	(42)	(56)	(98)
Total comprehensive income/(loss) for the period	**-**	**929**	**(42)**	**-**	**(10,241)**	**(9,354)**	**169**	**(9,185)**
Share issue expenses	(64)	-	-	-	-	(64)	-	(64)
Issue of shares	3,826	-	-	-	-	3,826	-	3,826
Balance at 31 March 2015	**103,936**	**929**	**(3,414)**	**(1,484)**	**(101,043)**	**(1,076)**	**4,351**	**3,275**
2Q2015								
(Loss)/Profit for the period	-	-	-	-	(4,313)	(4,313)	138	(4,175)
Other comprehensive income/(loss), net of tax:								
Net change in fair value of financial assets, available-for-sale	-	188	-	-	-	188	-	188
Foreign currency translation loss	-	-	(347)	-	-	(347)	(169)	(516)
Total comprehensive income/(loss) for the period	**-**	**188**	**(347)**	**-**	**(4,313)**	**(4,472)**	**(31)**	**(4,503)**
Balance at 30 June 2015	**103,936**	**1,117**	**(3,761)**	**(1,484)**	**(105,356)**	**(5,548)**	**4,320**	**(1,228)**

Statement of Changes in Equity of the Company

	Share capital	Fair value reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
1Q2016				
Balance at 1 January 2016	107,095	1,525	(128,718)	(20,098)
Loss for the period	-	-	(6,619)	(6,619)
Other comprehensive loss, net of tax:				
Net change in fair value of financial assets, available-for-sale	-	(1,378)	-	(1,378)
Total comprehensive loss for the period	**-**	(1,378)	(6,619)	(7,997)
Share issue expenses	(1)	-	-	(1)
Balance at 31 March 2016	**107,094**	**147**	**(135,337)**	**(28,096)**
2Q2016				
Loss for the period	-	-	(2,006)	(2,006)
Other comprehensive loss, net of tax:				
Net change in fair value of financial assets, available-for-sale	-	797	-	797
Total comprehensive income/(loss) for the period	**-**	**797**	**(2,006)**	**(1,209)**
Balance at 30 June 2016	**107,094**	**944**	**(137,343)**	**(29,305)**

	Share capital	Fair value reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
1Q2015				
Balance at 1 January 2015	100,174	-	(73,249)	26,925
Loss for the period	-	-	(37,119)	(37,119)
Other comprehensive income/(loss), net of tax:				
Net change in fair value of financial assets, available-for-sale	-	904	-	904
Total comprehensive income/(loss) for the period	**-**	**904**	**(37,119)**	**(36,215)**
Share issue expenses	(64)	-	-	(64)
Issue of shares	3,826	-	-	3,826
Balance at 31 March 2015	**103,936**	**904**	**(110,368)**	**(5,528)**
2Q2015				
Loss for the period	-	-	(2,239)	(2,239)
Other comprehensive income/(loss), net of tax:				
Net change in fair value of financial assets, available-for-sale	-	213	-	213
Total comprehensive income/(loss) for the period	**-**	**213**	**(2,239)**	**(2,026)**
Balance at 30 June 2015	**103,936**	**1,117**	**(112,607)**	**(7,554)**

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued share capital

	No. of shares	Amount S$
As at 30 June 2016	4,514,224,998	107,093,705

	No. of shares
As at 1 April 2016	4,514,224,998
Issue ordinary shares	-
As at 30 June 2016	4,514,224,998

As at 30 June 2016, the Company did not hold any treasury shares (30 June 2015: Nil).

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

No share options under the Blumont ESOS 2013 have been granted for the second quarter and six months ended 30 June 2016.

Performance Share Plan ("Blumont PSP")

No incentive share awards under the Blumont PSP have been granted for the second quarter and six months ended 30 June 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/06/2016	As at 31/12/2015
Total number of issued ordinary shares	4,514,224,998	4,514,224,998

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. 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.

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

Not applicable.

4. 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 5.

5. 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.

On 1 January 2016, the Group adopted the following new/revised/amended Financial Reporting Standards ("FRSs").

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 107 *Financial Statements: Disclosure*	1 January 2016
Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016

The adoption of the above FRSs, do not/have no material impact on the financial position or financial performance of the Group.

6. Loss per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP		GROUP	
Loss per share for loss attributable to the owners of the Company	**2Q2016**	**2Q2015**	**1H2016**	**1H2015**
(i) On the weighted average number of ordinary shares in-issue (in cents)	(0.08)	(0.15)	(0.24)	(0.52)
- Weighted average number of shares	4,514,224,998	2,866,149,999	4,514,224,998	2,776,659,747
(ii) On a fully diluted basis (in cents)	(0.08)	(0.15)	(0.24)	(0.52)
- Adjusted weighted average number of shares	4,514,224,998	2,866,149,999	4,514,224,998	2,776,659,747

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 30/06/2016	**As at 31/12/2015**	**As at 30/06/2016**	**As at 31/12/2015**
Net liabilities value per ordinary share based on issued share capital at the end of the financial period/year (owners of the Company) (in cents)	(0.59)	(0.31)	(0.65)	(0.45)

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

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

Statement of Profit or Loss

The net other gain was S$0.28 million for 2Q2016 (2Q2015: S$0.44 million) and S$1.64 million for 1H2016 (1H2015: net other loss of S$5.33 million), mainly comprise of:

(a) net currency exchange gain of S$0.01 million for 2Q2016 (2Q2015: S$0.72 million) and S$1.98 million for 1H2016 (1H2015: net currency exchange loss of S$0.60 million) mainly resulting from strengthening of Singapore Dollars against United States Dollars;
(b) net fair value loss on financial assets, at fair value through profit or loss of S$0.05 million for 2Q2016 (2Q2015: net fair value gain of S$1.72 million) and S$0.52 million for 1H2016 (1H2015: S$1.78 million). The reported fair value (loss)/gain arose from the mark-to-market adjustment of the value of the quoted financial assets, at fair value through profit or loss generating the revaluation (loss)/gain based on market bid prices on the securities held. The quoted financial assets, at fair value through profit or loss comprised of a portfolio of equity investments in companies listed in the Singapore Exchange;
(c) net loss on disposal of financial assets, at fair value through profit or loss of S$0.01 million for 2Q2016 (2Q2015: S$1.62 million) and S$0.16 million for 1H2016 (1H2015: S$3.22 million);

(d) interest income of S$0.08 million for 2Q2016 (2Q2015: S$0.07 million) and S$0.15 million for 1H2016 (1H2015: S$0.23 million), mainly derived from (i) interest on convertible loan and convertible note of S$0.06 million for 2Q2016 (2Q2015: S$0.06 million) and S$0.12 million for 1H2016 (1H2015: S$0.11 million) and (ii) bank balances of S$0.02 million for 2Q2016 (2Q2015: S$0.01 million) and S$0.04 million for 1H2016 (1H2015: S$0.03 million);
(e) loss on conversion of debt instrument to equity, available-for-sale of S$0.06 million for 1H2016 (1H2015: Nil);
(f) claims amounting to S$0.11 million (being two out of five equal installments) received from Prospect Resources Limited following the announcement made by the Company on 15 August 2015 which was recognised in 2Q2016 and 1H2016 (2Q2015 and 1H2015: Nil); and
(g) write-off of other payables of S$0.12 million in 2Q2016 and 1H2016 (2Q2015 and 1H2015: Nil) following settlement agreement between the Consortium and following the claims received/to be received from Prospect Resources Limited.

Raw materials and consumables used decreased by S$0.01 million or 25% from S$0.03 million for 2Q2015 to S$0.02 million for 2Q2016 and decreased by S$0.02 million or 21% from S$0.07 million for 1H2015 to S$0.05 million for 1H2016 were in line with the decrease in sterilisation segment revenue.

Other expenses increased by S$0.78 million or 40%, from S$1.98 million for 2Q2015 to S$2.76 million for 2Q2016 was mainly due to withholding tax expense paid for dividends received from a subsidiary of the Group of S$0.76 million (2Q2015: Nil).

Write-back of impairment loss on financial assets, available-for-sale of S$0.07 million for 2Q2016 (2Q2015: allowance for impairment loss of S$0.42 million) and allowance for impairment loss on financial assets, available-for-sale of S$5.55 million for 1H2016 (1H2015: S$0.82 million) pertains to adjustment to impairment losses recognised due to “significant” or “prolonged” decline in the fair value in 1H2016 of the equity investments and loan facility, classified as financial assets, available-for-sale.

Dilution loss on investment in an associate of S$0.35 million for 2Q2016 and 1H2016 (2Q2015 and 1H2015: Nil) pertains to reclassification from “Impairment loss on investment in an associate” for dilution adjustment on shareholding of investment in an associate.

The Group determines whether there is any objective evidence that the investment in an associate is impaired at end of each reporting period. Reclassification of impairment loss on investment in an associate of S$0.35 million to dilution loss on investment in an associate for 2Q2016 and 1H2016 (2Q2015 and 1H2015: impairment loss of S$1.74 million) pertains to adjustment of the Group’s recoverable value on shareholding dilution of investment in an associate.

The share of profit or loss of an associate pertains to share of loss or profit of investment in an associate, Azarga Uranium Corp., which is listed in Toronto Stock Exchange. The Group did not disclose the share of profit or loss of the associate for the period due to public information pertaining to the associate has not been released to date.

Finance costs increased by S$0.42 million or 47% from S$0.89 million for 2Q2015 to S$1.31 million for 2Q2016, and increased by S$0.45 million or 22% from S$2.05 million in 1H2015 to S$2.50 million in 1H2016. The increase was due to interest charged on loans draw down from Wintercrest Advisor LLC (“Wintercrest”) resulting from increase in interest rate from 10% to 12% with effect from 29 May 2015 in accordance with the Supplementary Facility Agreement entered by the Company and Wintercrest and interest are compounded with effect from 13 September 2015.

Income tax credit of S$4,000 for 2Q2016 (2Q2015: S$5,000) mainly pertains to deferred tax liabilities recognised for taxable temporary difference and accrual incurred.

Income tax credit of S$8,000 for 1H2016 (1H2015: S$26,000) pertains to deferred tax liabilities of S$9,000 for 1H2016 (1H2015: S$16,000) recognised for taxable temporary differences for depreciation and accruals incurred, current income tax credit of S$1,000 for 1H2016 (1H2015: S$2,000) in accordance with FRS12 Income taxes and over-provision of income tax of S$400 for 1H2016 (1H2015: under-provision of S$0.01 million).

Other Comprehensive Loss

Foreign currency translation loss of S$0.17 million for 2Q2016 (2Q2015: S$0.52 million) and foreign currency translation gain of S$0.11 million for 1H2016 (1H2015: foreign currency translation loss of S$0.61 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.*

Net changes in fair value of financial assets, available-for-sale was S$0.76 million for 2Q2016 (2Q2015: S$0.19 million) and S$0.76 million for 1H2016 (1H2015: S$1.12 million). Net changes in fair value of financial assets, available-for-sale was due to recognition of unrealised fair value changes from the mark-to-market adjustment of the value of the portfolio of the quoted investments listed in the Australian Securities Exchange.

The Group reclassified S$0.04 million of net fair value loss of financial assets, available-for-sale to profit or loss for 2Q2016 (2Q2015: Nil) and S$1.34 million cumulative gain of financial assets, available-for-sale to profit or loss for 1H2016 (1H2015: Nil) as there were “significant” or “prolonged” decline in the fair value in 1H2016 of the equity investments, classified as financial assets, available-for-sale.

Commentary on the Statement of Financial Position

Financial assets, at fair value through profit or loss decreased by S$1.00 million or 94% from S$1.07 million as at 31 December 2015 to S$0.07 million as at 30 June 2016. The decrease in financial assets, at fair value through profit or loss was mainly due to:
(a) the disposal of financial assets, at fair value through profit or loss was S$0.48 million; and

(b) mark-to-market adjustment of quoted equity shares held with additional net loss of S$0.52 million.
Financial assets, at fair value through profit or loss were stated at their fair value based on their quoted bid prices at the respective as at period end.

Trade and other receivables decreased by S$0.22 million or 24% from S$0.90 million as at 31 December 2015 to S$0.68 million as at 30 June 2016 was mainly due to decrease by S$0.09 million of trade receivables and S$0.13 million of other receivables.

Other current assets decreased by S$0.16 million or 22% from S$0.72 million as at 31 December 2015 to S$0.56 million as at 30 June 2016 was due to reclassification of deposit amounting to S$0.50 million for the acquisition of additional interest in a subsidiary, offset by increased in income tax prepayment of S$0.33 million.

Financial assets, available-for-sale includes quoted equity investments listed on Australian Securities Exchange and convertible loan as at 30 June 2016. The decrease of S$6.12 million or 56% in financial assets, available-for-sale from S$10.85 million as at 31 December 2015 to S$4.73 million as at 30 June 2016 was mainly attributed to:
(a) net fair value loss of financial assets, available-for-sale recognised in other comprehensive income of S$0.58 million;
(b) impairment loss on financial assets, available-for-sale of S$5.55 million recognised in profit or loss; and
(c) addition through off set debt owed under other receivable of S$0.01 million.

Trade and other payables of S$23.75 million as at 30 June 2016 (31 December 2015: S$17.44 million) mainly comprise of:
(a) provision for interest payable of S$8.95 million (31 December 2015: S$6.80 million), arose from interest expense for Wintercrest Financing Loans due to increase in interest rate from 10% to 12% with effect from 29 May 2015 in accordance with the Supplementary Facility Agreement entered by the Company and Wintercrest and interest expenses are compounded with effect from 13 September 2015.
(b) other payables of S$3.00 million (31 December 2015: S$1.63 million), mainly contributed by amount payable for acquisition of additional interest in a subsidiary.
(c) accrued operating expenses of S$11.73 million (31 December 2015: S$8.98 million) as follows:
    (i) accrued administration fees of S$8.76 million (31 December 2015: S$6.60 million) which relates to administration fees on the Wintercrest Loan Facility for each calendar month on the outstanding loan.
    (ii) accrued extension fees of S$0.56 million (31 December 2015: S$0.59 million) being fees for extension of loan term in relation to Wintercrest Loan Facility.
    (iii) withholding tax provision of S$1.90 million (31 December 2015: S$1.44 million) pertains provision for withholding tax for interest expense on Wintercrest Loan Facility.
    (iv) accrued legal and consultancy fees of S$0.13 million (31 December 2015: S$0.12 million) for unbilled services incurred for the period.
    (v) others accrued operating expenses of S$0.38 million (31 December 2015: S$0.23 million) mainly comprise of unbilled audit and tax fees for the financial period, accrued payroll related expenses such as unutilised leave and Central Provident Funds contribution.
(d) Amount due to director of S$0.07 million (31 December 2015: S$0.03 million).

Current income tax liabilities decreased from S$0.09 million as at 31 December 2015 to S$0.04 million as at 30 June 2016 was mainly due to six months as compared to twelve months accrual of income tax liabilities as at 30 June 2016 and 31 December 2015.

As at 30 June 2016, the Group had a negative working capital of S$40.42 million (31 December 2015: S$33.98 million) and net liability of S$26.65 million (31 December 2015: S$14.09 million). The Company intends to fund its operation through the Group's internal resources, disposal of investments, borrowings and/or capital raising as and when required.

9. 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.

10. 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 reporting period and the next 12 months.

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 investment in associate and 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.

To-date, the following proposal was made by the Company:

Proposed Settlement Agreement with Wintercrest Advisors LLP

On 8 April 2016, the Company announced via SGXNET that the Company has entered into a settlement agreement dated 7 April 2016 with Wintercrest ("Settlement Agreement") for the full and final settlement of the outstanding amount owing and payable to Wintercrest under the facility agreement based on computation as at 31 December 2015.

The Company and Wintercrest have agreed to effect a full and final settlement of the outstanding amount and have agreed that, subject to the specified conditions set out in the Settlement Agreement having been satisfied and/or complied with through assignment of investment assets in the mineral and energy resources segment and issuance of shares.

On 24 June 2016, the Company announced that the Securities Industry Council ("SIC") had on 23 June 2016 granted the Company with the whitewash waiver subject to conditions detailed within the announcement.

The circular containing further details on, inter alia, the proposed shares issue, the whitewash resolution as well as other transactions contemplated within the Settlement Agreement, together with the notice of extraordinary general meeting will be despatched in due course.

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.

11. 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.

12. 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 quarter and six months ended 30 June 2016.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect no dividend has been declared/recommended, a statement to that effect.

The Company did not obtain a general mandate from shareholders for IPTs.

14. 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 second quarter and six months ended 30 June 2016 to be false or misleading.

On behalf of the Board of Directors

Ng Kim Huatt	Tan Gim Kang, Arran
Director	Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officer under 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.

16. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

Not applicable.

PART II– VOLUNTARILY DISCLOSURE OF ADDITIONAL INFORMATION

17. Breakdown of financial assets, at fair value through profit or loss

The financial assets, at fair value through profit or loss are as follows:

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$000	S$000	S$000	S$000
First quarter ended 31 March				
Balance as at 1 January	1,074	7,880	2	161
Disposals	(474)	(2,257)	-	(150)
Fair value loss	(472)	(3,491)	(1)	(3)
Balance as at 31 March	**128**	**2,132**	**1**	**8**
Second quarter ended 30 June				
Disposals	(13)	(2,041)	(1)	-
Fair value (loss)/gain	(48)	1,715	* -	* -
Balance as at 30 June	**67**	**1,806**	**-**	**8**
At fair value on initial recognition:				
Listed securities:				
Equity securities – Singapore	67	1,788	-	8
Equity securities – Malaysia	-	18	-	-
Total as at 30 June	**67**	**1,806**	**-**	**8**

* : <$1,000

18. Breakdown of financial assets, available-for-sale

The investees held in the mineral and energy resources segments of the Group as at 30 June 2016 are Celsius Coal Limited, Cokal Limited, Kidman Resources Limited, Merlin Diamonds Limited, Elysium Resources Limited and Genesis Resources Limited classified as follows:

	GROUP		COMPANY	
	2016	2015	2016	2015
	S$000	S$000	S$000	S$000
Quoted equity investments (a)	4,732	11,387	4,732	11,387
Celsius Convertible Note (b)	-	-	-	-
Cokal Convertible Loan (c)	-	4,570	-	4,570
Total Financial assets, available-for-sale	**4,732**	**15,957**	**4,732**	**15,957**
(a) Quoted equity investments				
At fair value				
First quarter ended 31 March				
Balance as at 1 January	10,849	8,496	10,849	7,306
Additions	-	2,122	-	2,122
Additions from conversion of Celsius Convertible Note	-	166	-	166
Additions from conversion of interest receivables	-	23	-	23
Additions through conversion of debt owed by Elysium Resources Limited	14	-	14	-
Impairment recognised during the period	(5,617)	(370)	(5,617)	(370)
Disposal	-	(569)	-	-
Cumulative fair value changes recognised in other comprehensive income	(1,378)	929	(1,378)	902
Currency translation differences	-	41	-	-
Balance as at 31 March	**3,868**	**10,838**	**3,868**	**10,149**
Second quarter ended 30 June				
Additions	-	790	-	790
Write-back of/(Allowance for) impairment recognised during the period	66	(418)	66	234
Cumulative fair value changes recognised in other	798	188	798	214

comprehensive income				
Currency translation differences	-	(11)	-	-
Balance as at 30 June	**4,732**	**11,387**	**4,732**	**11,387**
(b) Celsius Convertible Note				
First quarter ended 31 March and second quarter ended 30 June				
Balance as at 1 January	**-**	161	**-**	161
Conversion of convertible note	**-**	(86)	**-**	(86)
Impairment recognised	**-**	(28)	**-**	(28)
Currency translation differences	**-**	(47)	**-**	(47)
Balance as at 31 March and 30 June	**-**	**-**	**-**	**-**
(c) Cokal Convertible Loan				
First quarter ended 31 March				
Balance as at 1 January	**-**	4,492	**-**	4,492
Currency translation differences	-	183	-	183
Balance as at 31 March	**-**	**4,675**	**-**	**4,675**
Second quarter ended 30 June				
Currency translation differences	**-**	(105)	**-**	(105)
Balance as at 30 June	**-**	**4,570**	**-**	**4,570**
Total Financial assets, available-for-sale	**4,732**	**15,957**	**4,732**	**15,957**

19. Going concern assumption

In the opinion of the Board, the Company would be able to operate as going concern.

The Board has reviewed the Group's cash flow requirements for the next 12 months and believe that although uncertainties exist, there are reasonable grounds to believe that the Group will be able to raise sufficient funds to enable the Group to fund its operations in the next 12 months. The basis for making this statement is as follows:

Negotiation on full settlement of the outstanding payable to Wintercrest Advisors LLC. The Company has entered into a settlement agreement dated 7 April 2016 with Wintercrest for the full and final settlement of the outstanding amount owing and payable to Wintercrest under the facility agreement (subject to regulatory and shareholders approval) based on computation as at 31 December 2015. If successful, the immediate impact would be remove the single largest liability and operating cost. Without any further interest charges and administration fees, the Company will be in a good position to return to profitability soon. The SIC has on 23 June 2016 granted the Company with whitewash waiver subject to conditions released in an announcement by the Company on 24 June 2016. The circular containing further details on, inter alia, the proposes share issues, the whitewash resolution as well as all other transactions contemplated within the Settlement Agreement, together with the notice of extraordinary general meeting will be despatched in due course.

Recovery of Consortium costs for Prospect Resources Limited. As announced by the Company on 15 August 2015, the Court has dismissed Prospect Resources Limited ("PSC")'s claims and ordered that PSC pay the Consortium costs. The Company has received A$0.29 million (approximately to S$0.28 million) to date.

Cash inflow from sale of properties. Further the Group is also pending to dispose one-unit Clear Water Residence in Malaysia which is valued at approximately S$0.49 million (RM1.50 million) as at 31 December 2015, which the Group is expecting to realise the sale in financial year 2016.

Initial sum on joint venture agreement with Eminent Envisage Sdn Bhd ("JV Agreement"). As announced by the Company on 4 December 2015, the Group had assigned the receivable of RM500,000 from Eminent Envisage Sdn Bhd as the initial sum of the JV Agreement in financial year 2016 to a creditor of the Group.

BY ORDER OF THE BOARD
Ng Kim Huatt
Executive Director
10 August 2016