BLUMONT
博诺有限公司

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

HALF YEAR ENDED 30 JUNE 2020 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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Unaudited Results for The Half Year Ended 30 June 2020

The Board of Directors of Blumont Group Ltd wishes to announce the following unaudited results of the Group for the half year ended 30 June 2020.

1. Consolidated Income Statement

	GROUP S$'000		
	1H2020	1H2019	% Increase/ (Decrease)
Revenue	2,115	1,715	23
Other gains/(losses) − net	33	(16)	306
Expenses			
Raw materials and consumables used	(39)	(32)	(22)
Employee benefits	(879)	(849)	(4)
Others	(791)	(694)	(14)
Finance costs	(112)	(133)	16
Total expenses	**(1,821)**	**(1,708)**	
Profit/(Loss) before income tax	**327**	**(9)**	
Income tax	(273)	18	(1617)
PROFIT FOR THE PERIOD	**54**	**9**	

2. Consolidated Statement of Comprehensive Income

	GROUP S$'000		%
	1H2020	1H2019	Increase/ (Decrease)
Profit for the period	54	9	
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation profit			
- on translating foreign operations	9	64	(86)
Other comprehensive income for the period, net of tax	**9**	**64**	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**63**	**73**	
Profit for the period attributable to:			
Owners of the Company	54	9	500
Total comprehensive income for the period attributable to:			
Owners of the Company	63	73	(14)
Profit per share attributable to owners of the Company (expressed in cents)			
- Basic	**0.00020**	**0.00003**	567
- Diluted	**0.00020**	**0.00003**	567

3. Notes to the consolidated statement of profit or loss and other comprehensive income

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

	GROUP S$'000		%
	1H2020	1H2019	Increase/ (Decrease)
Other gains/(losses) – net comprise of:			
Interest income	3	1	200
Net currency exchange gain/(loss)	(3)	(26)	88
Miscellaneous income	33	9	267
Other expenses comprise of:			
Depreciation of property and equipment	(331)	(306)	(8)
Professional and consultancy fees	(28)	31	(190)
Finance costs comprise of:			
Interest expense	(111)	(133)	17
- Bank loans	(35)	(62)	44
- Shareholder's loans	(72)	(71)	(1)
- Lease liabilities	(4)	-	NM
- Others	*(-)	*(-)	NM

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

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

	GROUP S$'000		%
	1H2020	1H2019	Increase/ (Decrease)
Income tax comprises:			
Current income tax	(293)	-	NM
Deferred tax	20	20	NM
	(273)	20	
Under-provision in prior period	-	(2)	NM
	(273)	18	

NM: Not Meaningful

4. Statement of Financial Position

	GROUP S$'000		%	COMPANY S$'000		%
	As at 30/06/2020	As at 31/12/2019	Increase/ (Decrease)	As at 30/06/2020	As at 31/12/2019	Increase/ (Decrease)
ASSETS						
Current assets						
Cash and bank balances	1,755	945	86	490	141	248
Other financial assets	120	120	NM	120	120	NM
Trade and other receivables	742	628	18	-	-	NM
Other current assets	81	46	76	34	17	100
Grant receivable	9	-	NM	9	-	NM
Development property	4,525	4,576	**	-	-	NM
	7,232	6,315		653	278	
Assets held for sale	-	1,185	NM	-	-	
	7,232	**7,500**		**653**	**278**	
Non-current assets						
Investments in subsidiaries	**-**	-	NM	104	104	NM
Loans to subsidiaries	**-**	-	NM	10,913	11,194	(3)
Property and equipment	4,638	4,873	(5)	121	151	(20)
Deferred tax assets	402	380	6	-	-	NM
	5,040	**5,253**		**11,138**	**11,449**	
Total assets	**12,272**	**12,753**		**11,791**	**11,727**	

4. Statement of Financial Position (Cont'd)

LIABILITIES						
Current liabilities						
Trade and other payables	1,515	1,682	(10)	2,359	2,101	12
Borrowings	322	605	(47)	-	-	NM
Loan from a subsidiary	-	-	NM	5,190	4,590	13
Deferred income	15	-	NM	15	-	NM
Lease liabilities	49	49	NM	49	49	NM
Current income tax liabilities	111	168	(34)	-	-	NM
	2,012	**2,504**		**7,613**	**6,740**	
Net current assets/(liabilities)	**5,220**	**4,996**		**(6,960)**	**(6,462)**	
Non-current liabilities						
Defined benefit plan	1,334	1,253	6	**-**	-	NM
Borrowings	5,074	5,182	(2)	4,832	4,832	NM
Lease liabilities	80	105	(24)	80	105	(24)
	6,488	**6,540**		**4,912**	**4,937**	
Total liabilities	**8,500**	**9,044**		**12,525**	**11,677**	
Net assets/(liabilities)	**3,772**	**3,709**		**(734)**	**50**	
EQUITY						
Equity attributable to owners of the Company						
Share capital	127,339	127,339	NM	127,339	127,339	NM
Reserves	(3,793)	(3,802)	**	-	-	NM
Accumulated losses	(119,774)	(119,828)	**	(128,073)	(127,289)	1
Total equity	**3,772**	**3,709**		**(734)**	**50**	

NM: Not Meaningful
***: <1%*

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

Amount repayable not later than one year				Amount repayable after one year			
As at 30/06/2020		As at 31/12/2019		As at 30/06/2020		As at 31/12/2019	
Secured	**Unsecured**	**Secured**	**Unsecured**	**Secured**	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
322	-	605	-	242	4,832	350	4,832

Details of any collateral

Pertaining to the secured borrowings as at 30 June 2020, the Group has loans from banks secured by the freehold land and building of PT Rel-ion Sterilization Services granted in favour of the lender.

Lease liabilities include current lease liabilities of S$0.05 million and non-current lease liabilities of $0.08 million. The right-of-use assets is S$0.12 million.

5. Consolidated Statement of Cash Flows

	GROUP S$'000	
	1H2020	**1H2019**
Cash Flows from Operating Activities		
Profit/(Loss) before income tax	327	(9)
Adjustments for:		
Unrealised foreign exchange loss	40	43
Depreciation of property and equipment	331	306
Interest expense	111	133
Interest income	(3)	(1)
Operating cash flows before working capital changes	**806**	**472**
Changes in operating assets and liabilities		
Receivables	40	(270)
Payables	(140)	(288)
Cash generated from/(used in) operations	**706**	**(86)**
Income tax and withholding tax paid	(351)	(153)
Net cash generated from/(used in) operating activities	**355**	**(239)**

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

	GROUP S$'000	
	1H2020	1H2019
Cash Flows from Investing Activities		
Purchase of property and equipment	(76)	(199)
Interest received	3	1
Proceeds from disposal of asset held-for-sale	986	-
Proceeds from disposal of property and equipment	-	* -
Net cash generated from/(used in) investing activities	**913**	**(198)**
Cash Flows from Financing Activities		
Repayment of borrowings	(388)	(83)
Repayments for lease liabilities	(25)	-
Interest paid	(39)	(62)
Proceeds from borrowings	-	300
Net cash (used in)/generated from financing activities	**(452)**	**155**
Net increase/(decrease) in cash and cash equivalents	816	(282)
Cash and cash equivalents at the beginning of the period	945	674
Effect of changes in foreign exchange rates on cash and cash equivalents	(6)	1
Cash and cash equivalents at the end of the period	**1,755**	**393**

**: < S$1,000*

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

	At 1 January 2020	Cash flows		Non-cash changes	At 30 June 2020
		Proceeds	Repayments		
	S$'000	S$'000	S$'000	S$'000	S$'000
Loans from banks	955	-	(388)	(3)	564
Loans from a shareholder	4,832	-	-	-	4,832
Lease liabilities	154	-	(25)	-	129
	5,941	-	(413)	(3)	5,525
Classified as:					
Current borrowings	605				322
Non-current borrowings	5,182				5,074
	5,787				5,396

6. Statement of Changes in Equity

6a. Statement of Changes in Equity for the Group

	Attributable to owners of the Company				
	Share capital	Currency translation reserve	Other reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
1H2020					
Balance at 1 January 2020	127,339	(5,537)	1,735	(119,828)	3,709
Profit for the period	-	-	-	54	54
Other comprehensive income, net of tax:					
Foreign currency translation gain	-	9	-	-	9
Total comprehensive income for the period	**-**	**9**	**-**	**54**	**63**
Balance at 30 June 2020	**127,339**	**(5,528)**	**1,735**	**(119,774)**	**3,772**
1H2019					
Balance at 1 January 2019	127,339	(5,753)	1,735	(119,970)	3,351
Profit for the period	-	-	-	9	9
Other comprehensive income, net of tax:					
Foreign currency translation gain	-	64	-	-	64
Total comprehensive income for the period	**-**	**64**	**-**	**9**	**73**
Balance at 30 June 2019	**127,339**	**(5,689)**	**1,735**	**(119,961)**	**3,424**

6. Statement of Changes in Equity (Cont'd)

6b. Statement of Changes in Equity for the Company

	Share capital S$'000	Accumulated losses S$'000	Total S$'000
1H2020			
Balance at 1 January 2020	127,339	(127,289)	50
Loss for the period	-	(784)	(784)
Total comprehensive loss for the period	**-**	**(784)**	**(784)**
Balance at 30 June 2020	**127,339**	**(128,073)**	**(734)**
1H2019			
Balance at 1 January 2019	127,339	(125,904)	1,435
Loss for the period	-	(712)	(712)
Total comprehensive loss for the period	**-**	**(712)**	**(712)**
Balance at 30 June 2019	**127,339**	**(126,616)**	**723**

6c. Changes in the Company's share capital

Issued and paid up Share Capital

	As as 30 June 2020		As at 31 December 2019	
	Number of ordinary shares	S$	Number of ordinary shares	S$
Ordinary shares issued and fully paid	27,570,762,183	127,338,850	27,570,762,183	127,338,850

As at 30 June 2020, the Company did not hold any treasury shares (30 June 2019: Nil).

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

No share options under the Blumont ESOS 2013 have been granted for the six months ended 30 June 2020 (30 June 2019: Nil).

Performance Share Plan ("Blumont PSP")

No incentive share awards under the Blumont PSP have been granted for the six months ended 30 June 2020. (30 June 2019: Nil)

7. Audit Statement

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

The figures have not been audited or reviewed.

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

Not applicable.

8. Changes in Accounting Policies

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

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

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

The Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are effective for annual periods beginning on or after 1 January 2020 and are relevant to its operations.

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 (Cont'd).

Description		Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
Amendments to SFRS(I) 3	*Business Combinations: Definition of a Business*	1 January 2020

Except for amendments to SFRS(I) 3, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

SFRS(I) 3 Business Combinations: Definition of Business

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual report period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Early application is permitted.

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

9. Profit Per Ordinary Share

	GROUP	
Profit per share for profit attributable to the owners of the Company	**1H2020**	**1H2019**
(i) On the weighted average number of ordinary shares in-issue (in cents)	0.00020	0.00003
- Weighted average number of shares	27,570,762,183	27,570,762,183
(ii) On a fully diluted basis (in cents)	0.00020	0.00003
- Adjusted weighted average number of shares	27,570,762,183	27,570,762,183

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

	GROUP		COMPANY	
	As at 30/06/2020	**As at 31/12/2019**	**As at 30/06/2020**	**As at 31/12/2019**
Net asset/(liability) value per ordinary share based on issued share capital at the end of the financial year (owners of the Company) (in cents)	0.014	0.013	(0.003)	0.0002

11. Review of Group's Performance

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

Consolidated Statement of Profit or Loss

Revenue

Revenue increased by S$0.40 million to S$2.12 million for 1H2020 (1H2019: S$1.72 million), mainly due to higher income from Sterilization contacts.

Other gains/(losses) – net

Other gains were S$33,000 for 1H2020, mainly from $20,000 Singapore government subsidy received for Job Support Scheme in 1H2020 and $11,000 validation test income generated by sterilization business.

Other losses were S$16,000 for 1H2019, mainly due to currency exchange loss of S$26,000, partly offset by miscellaneous income of S$9,000 and interest income of S$1,000 in 1H2019.

Expenses

Raw materials and consumables used increased by approximately S$7,000 to S$39,000 in 1H2020 (1H2019: S$32,000). The increase of raw materials and consumables used were in line with the increase in sterilization segment revenue.

Other expenses increased by S$0.10 million to S$0.79 million in 1H2020 (1H2019: S$0.69 million), mainly due to higher provision of withholding tax and director fees in 1H2020 and professional fees rebate given in 1H2019.

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

Finance costs decreased by S$0.02 million to S$0.11 million in 1H2020 (1H2019: S$0.13 million), mainly due to lower bank loan during the period.

Income Tax

In 1H2020, the group generates $336,000 profit before tax. Provision for corporate tax is applied across the group including the sterilization business to reflect the after tax financial performance. The tax provision for sterilization business was not applied to 1H2019 when the group made $9,000 loss before tax.

Income tax expenses of S$0.27 million in 1H2020 is mainly due to current income tax provision of S$0.29 million and deferred tax income of S$0.02 million derived from actuarial gain from employee benefit plan.

Income tax credit of S$18,000 in 1H2019 pertains to deferred tax income of S$20,000 derived from actuarial gain from employee benefit plan and under-provision of income tax of S$2,000.

Other Comprehensive Income

Foreign currency translation gain on translating foreign operations of S$9,000 for 1H2020 (1H2019: S$64,000) 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.* The decrease in foreign currency translation gain is due to the depreciated Singapore dollars against Indonesian Rupiah over the periods.

Commentary on the Statement of Financial Position

Cash and bank balances increased by S$0.81 million or 86% from S$0.95 million as at 31 December 2019 to S$1.76 million as at 30 June 2020, mainly due to proceed from disposal of asset held for sale.

Trade and other receivables increased by S$0.11 million or 18% from S$0.63 million as at 31 December 2019 to S$0.74 million as at 30 June 2020. The increase of trade receivables is in line with the increase in sterilization revenue.

Other current assets increased by S$35,000 or 76% from S$46,000 as at 31 December 2019 to S$81,000 as at 30 June 2020, mainly due to increase in prepayments of S$28,000 and deposit of S$7,000.

Trade and other payables decreased by S$0.16 million or 10% from S$1.68 million as at 31 December 2019 to S$1.52 million as at 30 June 2020, mainly due to reversal of deposit paid for the asset held for sale.

Borrowings, including current and non-current, decreased by S$0.39 million from S$5.79 million as at 31 December 2019 to S$5.40 million as at 30 June 2020, mainly due to repayment of bank loan.

Lease liabilities, including current and non-current, decreased by S$0.02 million from S$0.15 million as at 31 December 2019 to S$0.13 million as at 30 June 2020, mainly due to repayment of lease liabilities.

Current income tax liabilities decreased by S$0.06 million from S$0.17 million as at 31 December 2019 to S$0.11 million as at 30 June 2020, mainly due to repayment of income tax.

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

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 (Cont'd)

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

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 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 statement of claim filed in the High Court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title to the property, an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation.

The High Court had directed the parties to explore the possibility of reaching an amicable settlement. The next case management has been scheduled on 19 August 2019 for the parties to update the Court on the status of settlement.

On 4 October 2019, the Company announced that the legal proceedings in respect of Raintree has ceased as all parties have reach a mutual agreement and received a Consent Judgement from the High Court in Malaysia. Under the Consent Judgement, Raintree will complete the sale of the property to the Plaintiffs at the agreed original selling price, and the Plaintiffs and OneSentral Park Sdn Bhd will pay all outstanding rental to Raintree as well as future rental until payment for the sale of property is completed.

On 3 April 2020, the Company announced that Raintree has completed the sale of property on 24 February 2020 and received payment of the purchase price of RM3 million on 17 March 2020.

The Company has been informed by its solicitors in Malaysia that they have also received a cheque for the further sum of RM15,632.29 from the purchasers' solicitors on 12 March 2020, being the purchasers' rental and apportionment of the outgoings in relation to the property pursuant to the Consent Judgment, which is still pending clearance due to the effects of the Movement Control Order currently in force in Malaysia. The cheque was subsequently received by Raintree on 19 May 2020.

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.

14. Dividend (Cont'd)

(d) Books closure date
Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect.
The Board of Directors does not recommend any payment of dividends for the six months ended 30 June 2020.

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 six months ended 30 June 2020 to be false or misleading.

On behalf of the Board of Directors

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

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

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

BY ORDER OF THE BOARD
Blumont Group Ltd.

John Lee Yow Meng
Chief Financial Officer and Executive Director
6 August 2020