

**BLUMONT GROUP LTD.**

Company Registration Number: 199302554G

**Unaudited Results For The First Quarter Financial Statement and Dividend Announcement For Financial Period From 1 January 2014 to 31 March 2014**

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

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

	GROUP		
	S\$'000		%
	1Q2014	1Q2013	Increase/ (Decrease)
Revenue	968	964	* -
Other (losses)/gains – net	(3,080)	38,203	NM
Expenses			
Raw materials and consumables used	(87)	(423)	(79)
Employee benefits	(607)	(671)	(10)
Finance	(125)	(12)	100
Others	(2,805)	(752)	100
<b>Total expenses</b>	<b>(3,624)</b>	<b>(1,858)</b>	
<b>(Loss)/Profit before income tax</b>	<b>(5,736)</b>	<b>37,309</b>	
Income tax	(3)	(6,352)	(100)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<b>(5,739)</b>	<b>30,957</b>	
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	244	67	100
Net change in fair value of financial assets, available-for-sale	(3,843)	(804)	100
<b>Other comprehensive loss for the period, net of tax</b>	<b>(3,599)</b>	<b>(737)</b>	
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(9,338)</b>	<b>30,220</b>	
<b>(Loss)/Profit for the period attributable to:</b>			
Non-controlling interests	130	(12)	NM
Equity holders of the Company	(5,869)	30,969	NM
	<b>(5,739)</b>	<b>30,957</b>	
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
Non-controlling interests	255	7	100
Equity holders of the Company	(9,593)	30,213	NM
	<b>(9,338)</b>	<b>30,220</b>	
<b>(Loss)/Earnings per share attributable to equity holders of the Company (expressed in cents)</b>			
- Basic	<b>(0.23)</b>	<b>1.83</b>	
- Diluted	<b>(0.23)</b>	<b>1.80</b>	

NM : Not Meaningful

\* : Less than 1%

Notes to the consolidated statement of comprehensive (loss)/income

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

	GROUP		
	S\$'000		%
	1Q2014	1Q2013	Increase/ (Decrease)
Depreciation of property and equipment	(100)	(98)	2
Currency exchange losses – net	(72)	(3)	100
Interest expense	(125)	(12)	100
Interest income:			
- loan facility and convertible notes	571	-	NM
- bank balances	19	3	100
- others	1	1	NM
Write-back of allowance for foreseeable losses	-	14	NM
Net (losses)/gains on disposal of financial assets, at fair value through profit or loss	(956)	289	NM
Fair value (losses)/gains – net			
- Financial assets held for trading	-	103	NM
- Financial assets, at fair value through profit or loss	(2,689)	37,781	NM

NM : Not Meaningful

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

	GROUP		
	S\$'000		%
	1Q2014	1Q2013	Increase/ (Decrease)
Income tax comprises:			
Current income tax	(22)	(233)	(91)
Deferred income tax	19	(6,119)	NM
	<b>(3)</b>	<b>(6,352)</b>	

NM : Not Meaningful

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 31/3/2014	As at 31/12/2013	Increase/ (Decrease)	As at 31/3/2014	As at 31/12/2013	Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and bank balances	3,255	2,534	28	685	473	45
Financial assets, at fair value through profit or loss	13,976	18,389	(24)	1,168	1,343	(13)
Trade and other receivables	6,446	1,645	100	4,682	689	100
Other current assets	473	225	100	77	51	51
Development properties	5,534	5,630	(2)	-	-	NM
Assets held for sale	2,003	2,003	NM	-	-	NM
	<b>31,687</b>	<b>30,426</b>		<b>6,612</b>	<b>2,556</b>	

	GROUP			COMPANY		
	S\$'000		%	S\$'000		%
	As at 31/3/2014	As at 31/12/2013	Increase/ (Decrease)	As at 31/3/2014	As at 31/12/2013	Increase/ (Decrease)
<b>Non-current assets</b>						
Investments in subsidiaries	-	-	NM	5,391	5,391	NM
Loans to subsidiaries	-	-	NM	52,202	51,034	2
Investment properties	1,658	1,658	NM	-	-	NM
Financial assets, available-for-sale	55,013	52,441	5	24,650	23,865	3
Derivative financial assets	835	533	57	341	110	100
Property and equipment	2,930	2,613	12	276	282	(2)
Other non-current assets	2	2	NM	-	-	NM
Deferred tax assets	112	87	29	-	-	NM
	<b>60,550</b>	<b>57,334</b>		<b>82,860</b>	<b>80,682</b>	
<b>Total assets</b>	<b>92,237</b>	<b>87,760</b>		<b>89,472</b>	<b>83,238</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	7,913	6,389	24	4,301	6,014	(28)
Borrowings	16,081	+ 3,739	100	16,033	+ 3,695	100
Current income tax liabilities	12	94	(87)	-	-	NM
	<b>24,006</b>	<b>10,222</b>		<b>20,334</b>	<b>9,709</b>	
<b>Non-current liabilities</b>						
Employee compensation	438	391	12	-	-	NM
Borrowings	192	208	(8)	138	146	(5)
Deferred tax liabilities	28	28	NM	-	-	NM
	<b>658</b>	<b>627</b>		<b>138</b>	<b>146</b>	
<b>Total liabilities</b>	<b>24,664</b>	<b>10,849</b>		<b>20,472</b>	<b>9,855</b>	
<b>Net Assets</b>	<b>67,573</b>	<b>76,911</b>		<b>69,000</b>	<b>73,383</b>	
<b>EQUITY</b>						
<b>Equity attributable to equity holders of the Company</b>						
Share capital	99,043	99,043	NM	99,043	99,043	NM
Reserves	(4,557)	(833)	100	(347)	1,662	NM
Accumulated losses	(29,790)	+ (23,921)	25	(29,696)	+ (27,322)	9
	<b>64,696</b>	<b>74,289</b>		<b>69,000</b>	<b>73,383</b>	
<b>Non-controlling interests</b>	<b>2,877</b>	<b>2,622</b>	10	-	-	NM
<b>Total equity</b>	<b>67,573</b>	<b>76,911</b>		<b>69,000</b>	<b>73,383</b>	

NM : Not Meaningful

\* : Adjusted and audited as at 31/12/2013

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

**Amount repayable not later than one year**

As at 31/3/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
16,081	-	3,739	-

**Amount repayable after one year**

As at 31/3/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
192	-	208	-

**Details of any collateral**

Pertaining to the secured borrowings, the Group has granted in favour of the lenders the following:

- (i) Finance lease liabilities of the Group are secured by the rights to the leased motor vehicles with net book value amounting to \$0.44 million (2013: \$0.44 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) Quoted equity investment classified under financial assets, available-for-sale with a carrying amount of \$17.77 million (2013: \$21.86 million); and
  - (b) Total assets of one of the Company's subsidiaries of \$25.44 million (2013: \$21.30 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	
	S\$'000	
	1Q2014	1Q2013
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit for the period	(5,739)	30,957
<b>Adjustments for:</b>		
Income tax	3	6,352
Unrealised foreign exchange losses	112	47
Depreciation of property and equipment	100	98
Interest expense	125	12
Interest income	(591)	(4)
Write-back of allowance for foreseeable losses	-	(14)
Fair value losses/(gains) on financial assets, at fair value through profit or loss	2,689	(37,884)
<b>Operating cash flow before working capital changes</b>	<b>(3,301)</b>	<b>(436)</b>
<b>Changes in operating assets and liabilities</b>		
Financial assets, at fair value through profit or loss	1,724	(3,059)
Receivables	(4,334)	4,944
Payables	1,307	4,792
Inventories and development properties	71	381
<b>Cash (used in)/generated from operations</b>	<b>(4,533)</b>	<b>6,622</b>
Income tax paid	(107)	(105)
<b>Net cash (used in)/generated from operating activities</b>	<b>(4,640)</b>	<b>6,517</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(266)	(16)
Purchase of financial assets, available-for-sale	(6,826)	(6,397)
Proceeds from disposal of asset held-for-sale	-	460
Interest received	19	4
<b>Net cash used in investing activities</b>	<b>(7,073)</b>	<b>(5,949)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(5)	(12)
Proceeds from borrowings	12,338	-
Repayments of finance lease liabilities	(18)	(25)
Net proceeds from exercise of share options	-	50
<b>Net cash generated from financing activities</b>	<b>12,315</b>	<b>13</b>
Net increase in cash and cash equivalents	<b>602</b>	<b>581</b>
Cash and cash equivalents at the beginning of the period	2,531	1,581
Effects of exchange rate changes on cash and cash equivalents	119	(32)
<b>Cash and cash equivalents at the end of the period</b>	<b>3,252</b>	<b>2,130</b>

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

	GROUP	
	S\$'000	
	1Q2014	1Q2013
Cash at bank and on hand	1,668	1,956
Short-term bank deposits	1,587	174
	<b>3,255</b>	<b>2,130</b>
Less: Bank balances and deposits pledged	(3)	-
Cash and cash equivalents per consolidated statement of cash flows	<b>3,252</b>	<b>2,130</b>

- 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 equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Share-based payment reserve	Fair value reserve	Currency translation reserve	(Accumulated losses)/ Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q2014</b>								
Balance at 1 January 2014	99,043	-	1,662	(2,495)	(23,921)	74,289	2,622	76,911
Loss/(Profit) for the period	-	-	-	-	(5,869)	(5,869)	130	(5,739)
Other comprehensive (loss)/income, net of tax:								
Net change in fair value of financial assets, available-for-sale	-	-	(3,843)	-	-	(3,843)	-	(3,843)
Exchange differences on translation of foreign operations	-	-	-	119	-	119	125	244
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>(3,843)</b>	<b>119</b>	<b>(5,869)</b>	<b>(9,593)</b>	<b>255</b>	<b>(9,338)</b>
<b>Balance at 31 March 2014</b>	<b>99,043</b>	<b>-</b>	<b>(2,181)</b>	<b>(2,376)</b>	<b>(29,790)</b>	<b>64,696</b>	<b>2,877</b>	<b>67,573</b>
<b>1Q2013</b>								
Balance at 1 January 2013	55,509	116	-	(1,705)	46,830	100,750	3,551	104,301
Profit/(Loss) for the period	-	-	-	-	30,969	30,969	(12)	30,957
Other comprehensive (loss)/income, net of tax:								
Net change in fair value of financial assets, available-for-sale	-	-	(804)	-	-	(804)	-	(804)
Exchange differences on translation of foreign operations	-	-	-	48	-	48	19	67
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>(804)</b>	<b>48</b>	<b>30,969</b>	<b>30,213</b>	<b>7</b>	<b>30,220</b>
Share options exercised	54	(4)	-	-	-	50	-	50
Share issue expense	* (-)	-	-	-	-	* (-)	-	* (-)
<b>Balance at 31 March 2013</b>	<b>55,563</b>	<b>112</b>	<b>(804)</b>	<b>(1,657)</b>	<b>77,799</b>	<b>131,013</b>	<b>3,558</b>	<b>134,571</b>

\* : < S\$1,000

**Statement of Changes in Equity of the Company**

	Share capital	Share-based payment reserve	Fair value reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q2014</b>					
Balance at 1 January 2014	99,043	-	1,662	(27,322)	73,383
Loss for the period	-	-	-	(2,374)	(2,374)
Other comprehensive loss, net of tax:					
Net change in fair value of financial assets, available-for-sale	-	-	(2,009)	-	(2,009)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(2,009)</b>	<b>(2,374)</b>	<b>(4,383)</b>
<b>Balance at 31 March 2014</b>	<b>99,043</b>	<b>-</b>	<b>(347)</b>	<b>(29,696)</b>	<b>69,000</b>

	Share capital	Share-based payment reserve	Fair value reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q2013</b>					
Balance at 1 January 2013	55,509	116	-	(9,450)	46,175
Profit for the period	-	-	-	97	97
Other comprehensive loss, net of tax:					
Net change in fair value of financial assets, available-for-sale	-	-	(804)	-	(804)
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>(804)</b>	<b>97</b>	<b>(707)</b>
Share options exercised	54	(4)	-	-	50
Share issue expense	* (-)	-	-	-	* (-)
<b>Balance at 31 March 2013</b>	<b>55,563</b>	<b>112</b>	<b>(804)</b>	<b>(9,353)</b>	<b>45,518</b>

\* : < S\$1,000

- 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\$'000
As at 31 March 2014	<u>2,583,006,879</u>	<u>99,043</u>
	<b>No. of shares</b>	
As at 31 March 2013	1,695,004,586	
Issued ordinary shares	861,002,293	
Share options exercised	<u>27,000,000</u>	
As at 31 March 2014	<u>2,583,006,879</u>	

As at 31 March 2014, the Company did not hold any treasury shares (31 March 2013: Nil).

**Outstanding unissued ordinary shares under the Company's Share Option Scheme II 2010 ("ESOS II 2010")**

	No. of shares
As at 31 March 2013	27,000,000
Exercised	<u>(27,000,000)</u>
As at 31 March 2014	<u>-</u>

The ESOS II 2010 has stopped operation with effect from 15 May 2010, hence, no further option will be granted under the ESOS II 2010.

- 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 31/3/2014	As at 31/12/2013
Total number of issued ordinary shares	2,583,006,879	2,583,006,879

- 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 2014, the Group adopted the following new/revised/amended Financial Reporting Standards ("FRS").

Description	Effective for annual periods beginning on or after
FRS 27 (Revised) <i>Separate Financial Statements</i>	1 January 2014
FRS110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014

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

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

	GROUP	
	1Q2014	1Q2013
<b>(Loss)/earnings per share attributable to the equity holders of the Company</b>		
(i) On the weighted average number of ordinary shares in-issue (in cents)	(0.23)	1.83
- Weighted average number of shares	2,583,006,879	1,694,587,919
(ii) On a fully diluted basis (in cents)	(0.23)	1.80
- Adjusted weighted average number of shares *	2,583,006,879	1,720,343,966

\* As at 31 March 2013, for the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted for the effects of all dilutive potential ordinary shares arising from ESOS II Options 2010.

As at 31 March 2014, there is no outstanding unissued ordinary share under ESOS II Option 2010.

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 31/3/2014	As at 31/12/2013	As at 31/3/2014	As at 31/12/2013
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (owners of the Company) (in cents)	2.62	+ 2.98	2.67	+ 2.84

\* : Adjusted and audited as at 31/12/2013

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 Comprehensive Income/(Loss)

Statement of Profit or Loss

The Group's revenue was \$0.96 million in the first quarter in 2013 ("1Q2013") as compared to \$0.97 million in the first quarter in 2014 ("1Q2014"). Sterilisation business segment remained the largest contributor to revenue with 83% (\$0.80 million) and followed by property related segment with 16% (\$0.15 million) in 1Q2014 (1Q2013: 58% (\$0.56 million) and 41% (\$0.39 million), respectively).

Net other losses of \$3.08 million in 1Q2014 (1Q2013: Net other gains of \$38.20 million) mainly comprise of:

- (a) net unrealised fair value losses on financial assets designated as fair value through profit or loss of \$2.69 million (1Q2013: Net unrealised fair value gains of \$37.78 million). The reported unrealised fair value (losses)/gains 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 (losses)/gains 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 and Bursa Malaysia.
- (b) net losses on disposal of financial assets, at fair value through profit or loss of \$0.96 million (1Q2013: Net gains of \$0.29 million) for disposal of certain Group's quoted equity investments in companies listed in the Singapore Exchange and Bursa Malaysia.
- (c) interest income of \$0.59 million in Q12014 (1Q2013: \$4,000), mainly derived from interest on convertible notes and loan facility, respectively, of \$0.57 million (1Q2013: Nil) and bank balances of \$0.02 million (1Q2013: \$3,000).

Total expenses increased by \$1.77 million, from \$1.86 million in 1Q2013 to \$3.63 million in 1Q2014. The increase was primarily due to additional expenses incurred pertaining to the various investment projects undertaken by the Group in the mineral and energy resources segment. In 1Q2014, the additional expenses mainly comprise of:

- (a) amortisation of cost on draw down loan from Wintercrest Advisor LLC ("Wintercrest Loan") and arranger fees of the Wintercrest Loan of approximately \$1.42 million;
- (b) interest expense of \$0.12 million on Wintercrest Loan;
- (c) Chairman-designate and Adviser to Chairman consultancy fees of approximately \$0.24 million; and
- (d) management fees of \$0.47 million.

The above were offset by the followings in comparison to both quarters:

- (a) decrease in transaction costs incurred on disposal/acquisition of financial assets, at fair value through profit or loss of \$0.33 million from the investment holding segment due to lesser disposal/acquisition transactions for financial assets, at fair value through profit or loss in 1Q2014 as compared to 1Q2013;
- (b) decrease in transaction cost incurred on disposal of properties of \$0.31 million from the property segment which is in line with the decrease in revenue from property segment; and
- (c) decrease in employee benefits of \$0.06 million.

Income tax expense decreased approximately \$6.35 million from \$6.35 million in 1Q2013 to \$3,000 in 1Q2014. The decrease was mainly due to reversal of deferred tax liabilities, with the breakdown of: (i) no additional provision of current income tax payable in 1Q2014 (1Q2013: \$0.15 million); and (ii) no additional provision of deferred tax liability in 1Q2014 (1Q2013: \$6.12 million) on the effect of deferred tax liabilities recognised on the fair value gains associated with financial assets, at fair value through profit or loss accounted for in accordance with FRS 12 *Income Taxes*.

#### Other Comprehensive (Loss)/Income

Exchange differences on translating foreign operations of net gain of \$0.24 million in 1Q2014 (1Q2013: \$0.07 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 change in fair value of financial assets, available-for-sale of \$3.84 million in 1Q2014 (1Q2013: \$0.80 million) was due to recognition of unrealised fair value losses from the mark-to-market adjustment of the value of the portfolio of the quoted investments listed in the Australian Securities Exchange.

#### Commentary on the Statement of Financial Position

The increase in cash and bank balances of \$0.72 million from \$2.53 million as at 31 December 2013 to \$3.26 million as at 31 March 2014 was attributed to the net proceeds received from net disposal of financial assets, at fair value through profit or loss in March 2014.

Financial assets, at fair value through profit or loss decreased from \$18.39 million as at 31 December 2013 to \$13.98 million as at 31 March 2014. The decrease in financial assets, at fair value through profit or loss was mainly due to mark-to-market adjustment of quoted equity shares held with an additional net loss of \$2.69 million in 1Q2014. Financial assets, at fair value through profit or loss were stated at their fair value based on their quoted bid prices at the respective dates. During 1Q2014, the net disposal of financial assets, at fair value through profit or loss was \$1.72 million.

Trade and other receivables of \$6.45 million as at 31 March 2014 (31 December 2013: \$1.65 million) mainly comprise of:

- (i) third party trade receivables of \$0.60 million (31 December 2013: \$0.31 million);
- (ii) interest receivable of \$1.12 million (31 December 2013: \$0.54 million);
- (iii) other receivables of \$4.73 million (31 December 2013: \$0.79 million) pertains to the transaction costs related to mainly:
  - (a) legal/consulting and professional/statutory for Genesis Resources Limited of \$0.68 million (paid: \$0.12 million) and Merlin Diamonds Limited of \$0.92 million (paid: \$0.04 million); and
  - (b) stamp duties payable to tax authorities for Genesis Resources Limited of \$0.29 million (paid: nil) and Merlin Diamonds Limited of \$2.05 million (paid: nil).

The increase in interest receivables as at 31 March 2014 arose from interest on convertible notes and convertible loan facility advanced by the Group from July 2013. The increase in other receivables as at 31 March 2014 mainly pertains to capitalisation of accrued/provision of transaction costs incurred in relation to the Group's expenditure of investments in view of lodging the bidder's statement of Genesis Resources Limited on 21 March 2014 (\$0.97 million) and Merlin Diamonds Limited on 24 April 2014 (\$2.97 million) ("Takeover Bid Costs").

Other current assets increased by \$0.25 million from \$0.23 million as at 31 December 2013 to \$0.47 million as at 31 March 2014. The increase arose from increase in deposit of \$0.09 million and increase in prepayment of \$0.16 million.



Derivative financial assets of \$0.84 million as at 31 March 2014 (31 December 2013: \$0.53 million) pertained to fair value of the equity component of the convertible notes to Celsius Coal Limited and Azarga Resources Limited in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* classified under financial assets, available-for-sale. Derivative financial assets were presented as non-current assets as the remaining maturity of the instruments are more than 12 months.

Property and equipment increased by 12% or \$0.32 million from \$2.61 million as at 31 December 2013 to \$2.93 million as at 31 March 2014. The increase was attributed to the additional property and equipment cost pertaining to renovation and workstation/office equipment of \$0.27 million and the translation of foreign denominated assets in Malaysian Ringgit and Indonesian Rupiah to Singapore Dollars of \$0.15 million in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rates* offset by depreciation of \$0.10 million.

The increase in deferred tax assets of 29% or \$0.03 million from \$0.09 million as at 31 December 2013 to \$0.11 million as at 31 March 2014 was mainly pertaining to additional deferred tax assets provided for accelerated tax depreciation of \$0.01 million and provisions of \$0.01 million. The remaining \$0.01 million relates to the translation of foreign denominated asset in Indonesian Rupiah to Singapore Dollars in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rates*.

Trade and other payables increased by 24% or \$1.52 million from \$6.39 million as at 31 December 2013 to \$7.91 million as at 31 March 2014. The increase in 1Q2014 was mainly due to net change of (i) increase in Takeover Bid Costs and management fees for investments in mineral and energy resources segment of approximately \$3.97 million; (ii) increase of \$2.40 million for outstanding acquisition of financial assets, at fair value through profit or loss; (iii) increase in interest payable of \$0.12 million for Wintercrest Loan in 1Q2014; and (iv) decrease in non-trade payable to a shareholder (an assignment of amount due to a director) pertaining to repayment of \$5.00 million in 1Q2014.

Borrowings increased by \$12.33 million from \$3.95 million as at 31 December 2013 to \$16.27 million as at 31 March 2014 was contributed by (i) additional Wintercrest Loan of \$11.35 million and (ii) amortisation of cost on draw down of Wintercrest Loan amounting to \$1.01 million to profit and loss in 1Q2014.

The decrease in current income tax liabilities of 87% or \$0.08 million from \$0.09 million as at 31 December 2013 to \$0.01 million as at 31 March 2014 was mainly attributed to payment of income tax during the period.

Employee compensation increased by 12% or \$0.04 million from \$0.39 million as at 31 December 2013 to \$0.44 million as at 31 March 2014 being additional provision made during the period.

**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 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.

**Azarga Resources Limited**

As at 31 March 2014, the total issued shares of Azarga Resources Limited was 76,612,700 shares and approximately 14.68% held by Powerlite Ventures Limited ("PVL"). As at 31 March 2014, the effective interest held by PVL on the quoted investments through Azarga are as follows:

- 6.62% of Powertech Uranium Corp. (TSX: PWE);
- 3.13% of Black Range Limited (ASX: BLR); and
- 2.20% of Anatolia Energy Limited (ASX: AEK).

To-date, the Group has the following proposed investments and/or acquisitions:

### **Proposed takeover bid of Genesis Resources Limited**

The details of the above proposed acquisition have been announced via SGXNET on 24 January 2014. Genesis Resources Limited ("GES") is a company incorporated in Australia whose shares are listed and quoted for trading on the Australian Securities Exchange. GES is a mineral exploration and development company with a portfolio of quality gold, iron, manganese, uranium and base metal (copper-zinc-silver) in the highly prospective Proterozoic and Phanerozoic metallogenic provinces in northern and central Australia. On 24 January 2014, the Company entered into a bid implementation deed (the "Implementation Deed") with GES, pursuant to the Company had agreed to make an off-market takeover bid (the "Takeover Bid") to acquire all the fully paid ordinary shares in the capital of GES ("GES Shares"). The consideration to be offered under the Takeover Bid is to be satisfied by way of an allotment of 5.3 new fully paid ordinary shares in the capital of the Company's shares (the "Shares") for every two GES Shares, up to a maximum of approximately 509,549,791 new Shares (the "Consideration Shares"), subject to any fractional entitlements being rounding up to the nearest whole Consideration Shares. With the Takeover Bid, the Company hopes to acquire the entire equity of GES to add value to the Plavica Project and to the Company's shareholders and to strengthen its position in the mineral and energy resources industry. The Company is required to lodge and issue a bidder's statement to the shareholders of GES (the "Shareholders") within two months of the date of the Implementation Deed offering to acquire all the GES Shares. The Takeover Bid will be made at an implied bid price of A\$0.169 per GES Shares, for an aggregate consideration of up to a maximum of A\$32.50 million (equivalent to approximately \$36.64 million).

On 21 March 2014, the Company has lodged the bidder's statement to the Shareholders (the "Company's Statement") under the Australian Securities and Investments Commission and the Australian Securities Exchange. The Company's offer to acquire all the GES Shares (the "Offer"), unless withdrawn, will remain open for acceptance during the period commencing on 24 March 2014 and ending at 7 PM (Melbourne time) on 24 September 2014, subject to any extension in accordance with the Corporations Act 2001 of Australia (the "Corporation Act"). The Takeover Bid and the allotment and issuance of the Consideration Shares are subject to the approval by the members of the Company in an Extraordinary General Meeting to be convened.

On 4 April 2014, the Company has lodged the first supplementary bidder's statement (the "First Supplementary Statement") with the Australian Securities and Investments Commission and the Australian Securities Exchange, to provide certain updates on the Company and the Takeover Bid on: (i) assistance with investigations of the Company's wholly owned subsidiary, G1 Investments Pte. Ltd. into an offence under the *Securities and Futures Act* (Chapter 289) of Singapore (SFA) by Commercial Affairs Department of Singapore Police Force; (ii) update to the financial information disclosed in Section 6 of the bidder's statement on the reclassification made by the auditors of Blumont; (c) profit warning whereby the Group expects to report a net loss for the first quarter ended 31 March 2014; and (d) updates on conditions in Section 11.5(p)(iv) of the bidder's statement was satisfied by 31 March 2014 and that Blumont does not waive any non-satisfaction of this condition and reserves its right to rely on any non-satisfaction of this condition.

On 22 April 2014, the Company has lodged the second supplementary bidder's statement (the "Second Supplementary Company's Statement") with the Australian Securities and Investments Commission and the Australian Securities Exchange, to vary the terms of the Takeover Bid and provide certain updates on the Company and the Takeover Bid as follows: (a) increase in takeover consideration is to be satisfied by way of an issue and allotment of 9.5 Shares for every two GES Shares, up to a maximum of approximately 913,343,965 new Consideration Shares; (ii) taking into account the increased takeover consideration, the Takeover Bid and the allotment and issuance of the new Consideration Shares are subject to the approval by the members of the Company in an Extraordinary General Meeting to be convened; (iii) Updated financial effects of the Takeover Bid on: (a) effect on earnings per share (before Takeover Bid: 3.77 cents; after Takeover Bid: 2.65 cents); and (b) effect on NTA per Share (before Takeover Bid: 2.88 cents; after Takeover Bid: 2.02 cents); (iv) the Company update Shareholders on the status of the offer condition as set out at paragraph 14 of Schedule 1 to the Takeover Announcement (Bidder Event), in light of the increased takeover consideration and the recent trading price of the Shares, the Company notes that it will not seek to rely on the non-satisfaction of the offer condition unless the Company's VWAP falls below \$0.0272, which is equivalent to a level that is 20% below the price of Shares as at the Last Practicable Date; and (v) GES agreed that it will not exercise any right of termination which may be available to it under the Implementation Deed and agreed to vary its rights to terminate the Implementation Deed in the event of a fall in the Share price so that this right will only be exercisable in the event that the VWAP of the Shares falls below \$0.0272. Accordingly, the Company has, on 22 April 2014, entered into an amendment deed to the Implementation Deed (the "Amendment Deed") with GES.

On 2 May 2014, the Company lodged a third supplementary bidder's statement (the "Third Supplementary Company's Statement") with the Australian Securities and Investments Commission and the Australian Securities Exchange, to provide certain updates on the Takeover Bid as follows: (a) in respect to the offer condition set out in paragraph 17(a) of Schedule 1 to the Takeover Announcement (Existing Loan Agreements) which prohibited GES from drawing down any additional amounts under the Existing Loan Agreements, the Company has agreed to waive this condition in respect of aggregate draw downs under the Existing Loan Agreements of up to A\$9 million; and (b) In respect of the Offer Condition set out in paragraph 16(d) of Schedule 1 to the Takeover Announcement (Plavica Concessions) which required GES to finalise and submit to the Plavica JV Partner the final feasibility study in respect of Plavica Concession No. 19-6648/1 in accordance and compliance with the Plavica JV Agreement, the Company confirms this offer condition has been fulfilled.

### **Investment in Merlin Diamonds Limited**

The details of the above proposed acquisition have been announced via SGXNET on 17 February 2014. On 16 February 2014, the Company entered into a subscription application letter with Merlin Diamonds Limited ("MED"), pursuant to which the Company has agreed to subscribe for 26,000,000 fully paid ordinary shares in the capital of MED at the subscription price of A\$0.075 per MED share for a total subscription price of A\$1,950,000 (equivalent to approximately S\$2.22 million). The subscription consideration will be fully satisfied in cash, funded from the internal resources of the Group, and paid to MED upon completion of the subscription. The subscription is intended to be applied towards the further development of MED's flagship Merlin Diamond mine project. To date, MED had allotted 16,000,000 shares to the Company and with an outstanding 10,000,000 shares to be allotted to the Company upon completion.

**Proposed takeover bid of Merlin Diamond Limited**

The details of the above proposed acquisition have been announced via SGXNET on 28 February 2014. Merlin Diamonds Limited ("MED") is a company incorporated in Australia whose shares are listed and quoted for trading on the Australian Securities Exchange. MED is a diamond and development in the Northern Territory, Australia. On 28 February 2014, the Company entered into a bid implementation deed (the "Implementation Deed") with MED, pursuant to the Company had agreed to make an off-market takeover bid (the "Takeover Bid") to acquire all the fully paid ordinary shares in the capital of MED ("MED Shares"). The consideration to be offered under the Takeover Bid is to be satisfied by way of an allotment of 5.7 new fully paid ordinary shares in the capital of the Company's shares (the "Shares") for every two MED Shares, up to a maximum of approximately 1,021,597,879 new Shares (the "Consideration Shares"), subject to any fractional entitlements being rounding up to the nearest whole Consideration Shares. With the Takeover Bid, the Company hopes to acquire the entire equity of MED to add value to the Merlin Diamond mine project and to the Company's shareholders and to strengthen its position in the mineral and energy resources industry. The Company is required to lodge and issue a bidder's statement to the shareholders of MED within two months of the date of the Implementation Deed offering to acquire all the MED Shares. The Takeover Bid will be made at an implied bid price of A\$0.15 (approximately S\$0.1698) per MED Shares, for an aggregate consideration of up to a maximum of S\$60.87 million. On 6 March 2014, the Company announced that the Takeover Bid and the allotment and issuance of the Consideration Shares are subject to the approval by the members of the Company in an Extraordinary General Meeting to be convened.

On 24 April 2014, the Company has lodged its bidder's statement to the shareholders of MED (the "Company's Statement") with the Australian Securities and Investments Commission and the Australian Securities Exchange. The Company's offer to acquire all the MED Shares (the "Offer"), unless withdrawn, will remain open for acceptance during the period commencing on 28 April 2014 and ending at 7 PM (Sydney time) on 31 July 2014, subject to any extension in accordance with the Corporations Act 2001 of Australia. The Takeover Bid and the allotment and issuance of the Consideration Shares are subject to the approval by the members of the Company in an Extraordinary General Meeting to be convened.

On 2 May 2014, the Company has lodged a supplementary bidder's statement (the "First Supplementary Company's Statement") with the Australian Securities and Investments Commission and Australian Securities Exchange. The Company update MED shareholders (the "Shareholders") on the status of the offer condition set out at Section 11.5(o)(i) of the Company's Statement which provides that other than in respect of MED Shares to be issued to the Company as announced on 17 February 2014, before the Register Date, MED must issue any remaining MED Shares pursuant to the MED Approved Placements and have received the full proceeds in immediate available funds. This offer condition was not satisfied within the timeframe and the Company has agreed to waive this offer condition.

**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/recommendeded, a statement to that effect.**

The Board of Directors does not recommend any payment of dividends for the first quarter ended 31 March 2014.

**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 first quarter ended 31 March 2014 to be false or misleading.

On behalf of the Board of Directors

James Hong Gee Ho  
Director

Ng Kim Huatt  
Director

15. 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

**BY ORDER OF THE BOARD**

James Hong Gee Ho  
Executive Director  
15 May 2014