ANNEXURE D

SINGAPORE TAXATION CONSIDERATIONS

ANNEXURE D – SINGAPORE TAXATION CONSIDERATIONS

The information provided below is general in nature and is not intended to be an authoritative or a complete statement of the Singapore income tax, goods and services tax and stamp duty implications that are or may be applicable to Merlin Shareholders who accept the Takeover Bid and become holders of Blumont Shares. The information provided below is based on relevant Singapore taxation and stamp duty law, regulations and guidelines issued by the relevant authorities as at the Last Practicable Date and does not take into account or anticipate changes in Singapore taxation law, nor does it take into account tax laws of any other countries other than Singapore.

The information provided below does not constitute tax advice regarding a particular Merlin Shareholder's tax position. Merlin Shareholders should consider obtaining their own professional advice from a qualified taxation advisor specific to their own circumstances.

(a) Income tax

Corporate income tax

Companies, whether Singapore tax residents or non tax-residents, are subject to Singapore corporate income tax on:

(i) income that is accrued in or derived from Singapore; or

(ii) subject to certain exceptions, foreign-sourced income (income that does not arise from a trade or business carried on in Singapore) received or deemed to be received in Singapore.

A company is a Singapore tax resident if the control and management of its business is exercised in Singapore. The control and management of a company generally lies with is board of directors. In practice, the board of directors exercise control and manage in the country where the board of directors' meetings of the company are held, which is normally the country where a company is resident.

Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by specified Singapore tax resident companies or individuals on or after 1 June 2003, will be exempt from tax if the following prescribed qualifying conditions are met:

(i) the foreign-sourced income must have been subject to tax in the foreign country from which it is received;

(ii) the highest corporate tax rate of the foreign country in the year that the foreign-sourced income is received must be at least 15%; and

(iii) the Comptroller of Income Tax must be satisfied that the tax exemption would be beneficial to the Singapore corporate tax resident.

The prevailing corporate tax rate in Singapore is currently 17% with certain exemptions for the first S$300,000 of the company's chargeable income.

Individual income tax

For individuals (whether Singapore tax-resident or non tax-resident), only income which is accrued or derived from Singapore will be subject to income tax. All foreign-sourced income received in Singapore on or after 1 January 2004 by individuals (other than partners of a partnership) is exempt from tax. In addition, certain Singapore-sourced investment income received on or after 1 January 2004 is exempt from tax.

The rate of tax applied to income which is accrued or derived from Singapore depends on the tax residency of the individual.

An individual is a Singapore tax resident in a year of assessment if:

(i) he/she is a Singaporean;

(ii) he/she is a Singapore Permanent Resident who has established a permanent home in Singapore; or

(iii) he/she is a foreigner who stayed or exercised an employment in Singapore (other than as a director of a company) for 183 days or more in the preceding year.

For a Singapore tax resident individual, the rate of tax varies progressively from 0% to 20% depending on the individual's chargeable income.

For a non-resident individual, investment income is subject to tax at a current rate of 20%, except for certain specified income that may be taxed at lower rates, and employment income is taxed at 15% or at the Singapore tax resident rate, whichever is higher. Director's fees and other income are also currently taxed at a rate of 20%.

(b) Dividend distributions

Singapore moved to the one-tier corporate tax system with effect from 1 January 2008. Under this system, the tax payable on normal chargeable income by Singapore companies, whether tax resident in Singapore or not, would constitute a final tax. As such, dividends payable by Singapore companies under the one-tier corporate tax system are exempt from tax in the hands of its shareholders.

There is also no withholding tax imposed on dividends paid to non-Singapore tax resident shareholders by Singapore companies.

Merlin Shareholders are advised to consult their own tax advisors in respect of the tax laws of their respective countries of residence and the applicability of any double taxation agreement that their country of residence may have with Singapore.

(c) Gains on disposal of Your Merlin Shares

Singapore does not impose tax on capital gains. However, gains derived from sale of Your Merlin Shares may be construed to be income and subject to Singapore tax if they arise from or are connected with activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore.

Similarly, any gains from the disposal of Blumont Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature, in which case, the disposal profits would be taxable.

Under section 13Z of the *Income Tax Act* (Cap. 134) of Singapore (**Income Tax Act**), the gains derived from the disposal of ordinary shares in an investee company during the period 1 June 2012 to 31 May 2017 (both dates inclusive) is exempt from income tax if immediately prior to the date of the share disposal, the divesting company had legally and beneficially held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months.

This rule does not apply to a divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of section 26 of the Income Tax Act, or disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development).

In addition, corporate shareholders who adopt the tax treatment to be aligned with the Singapore Financial Reporting Standard 39 Financial Instruments—Recognition and Measurement for the purposes of Singapore income tax may be taxed on gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of offering shares is made.

(d) Stamp Duty

No stamp duty is payable on the issuance of your Blumont Shares.

Stamp duty is payable on the instrument of transfer of Blumont Shares at the rate of S$0.20 for every S$100 or any part thereof, calculated on the consideration of the transfer, or the market value of the Blumont Shares, whichever is higher.

The purchaser is liable for stamp duty, unless otherwise agreed. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore and is not received in Singapore. However, stamp duty will be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

Stamp duty is not applicable for electronic transfers of Blumont Shares under the book-entry settlement system of CDP (i.e. in uncertificated form).

(e) Singapore Estate duty

Singapore estate duty was abolished with effect from 15 February 2008.

(f) Singapore Goods and Services Tax (GST)

The sale of shares by an investor who is GST-registered in Singapore through an SGX member or to another person who is a resident of Singapore is an exempt sale not subject to GST. Any GST directly or indirectly incurred by the GST-registered investor in respect of this exempt sale will become an additional cost to the investor.

Where Blumont Shares are sold by a GST-registered investor to a person who is not a resident of Singapore, the sale is a zero-rated sale subject to GST at a zero rate if certain conditions are met. Any GST incurred by the GST-registered investor in the making of this zero-rated sale, if the same is a supply in the course or furtherance of a business, may be claimable as a refund from the Comptroller of GST. Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor who is a resident of Singapore in connection with the investor's purchase, sale, holding of Blumont Shares will be subject to GST at the current rate of 7%. Similar services rendered to a non-resident investor in Singapore may be zero-rated if certain conditions are met.

ANNEXURE E

INVESTIGATING ACCOUNTANT'S REPORT

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

23 April 2014

The Directors
Blumont Group Ltd
298 Tiong Bahru Road
#20-02/03 Central Plaza
Singapore 168730

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors' of Blumont Group Ltd ("Blumont" or "the Company") for inclusion in the Bidder's Statement, so as to provide Merlin Diamonds Limited shareholders with information in relation to historical and pro-forma financial information of Blumont as at 31 December 2013 and for the year then ended.

On 28 February 2014 the Company and Merlin Diamonds Limited ("Merlin") announced that they had signed a Takeover Bid Implementation Deed for an off-market takeover bid by Blumont for all the issued and outstanding shares in Merlin (the "Bid").

Consideration for the Bid will be in Blumont shares ("Offer Consideration").

When the Bid was originally announced, the Offer Consideration was 5.7 Blumont shares for every 2 Merlin shares held (the "Original Offer"). The Original Offer valued Merlin at AUD$0.1518 per share, or approximately AUD$55.8 million (SGD$63.7 million), based on a Blumont share price of SGD$0.0602 and foreign exchange rate of SGD$1.13: AUD$1.00, as at 28 February 2014.

The pro-forma unaudited condensed consolidated statement of financial position of Blumont, as set out in Appendix 2, has been prepared on the basis of the Original Offer.

On 23 April 2014, for the reasons set out in the Bidder's Statement, Blumont announced that it was increasing the Offer Consideration to 5 Blumont shares for every Merlin share ("Revised Offer"). The Revised Offer values Merlin at AUD$0.145 per share, or approximately AUD$52 million (SGD$60.9 million) based on a Blumont share price of SGD$0.034 and foreign exchange rate of SGD$1.17: AUD$1.00, as at 17 April 2014.

The pro-forma unaudited condensed consolidated statement of financial position of Blumont, as set out in Appendix 2, has not been updated for the Revised Offer on the basis that:

a) the pro-forma information provided is only an illustration of the impact of the Bid; and
b) the Revised Offer does not materially alter the pro-forma unaudited condensed consolidated statement of financial position of Blumont.

Further details of the Bid are set out in the Bidder's Statements.

Expressions defined in the Bidders Statements have the same meaning in this report.

2. Basis of Preparation

The historical and pro-forma financial information is presented in a condensed consolidated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for Blumont nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Bidder's Statement, other than responsibility for this report.

3. Background

Blumont is a public Company which is headquartered In Singapore and listed on the main board of the Singapore Exchange Limited ("SGX').

Blumont has four core business segments comprising Investment Holding, Sterilisation, Property and Mineral & Energy Resources.

Blumont's legacy businesses comprise the Investment Holding division, which invests in transferable securities, but not limited to marketable shares, warrants and debentures. The Sterilisation division provides contract sterilisation and polymerisation services to various industries. The Property division is involved in the development, sale and long term holding of properties for rental and property-related income.

Since late 2012, Blumont has strategically focussed on acquiring diversified mineral and energy resources assets across a number of geographies and has been actively pursuing and acquiring new investment opportunities in this sector. The Company has recently acquired or invested in several strategic mineral and energy resources assets comprising projects involved in thermal and coking coal, copper, lead, zinc, silver and uranium. In recent months the Company has accelerated its move into the Mineral & Energy Resources business segment.

On 24 January 2014 the Company and Genesis Resources Limited (Genesis) announced that they had signed a Takeover Bid Implementation Deed for an off-market takeover bid by Blumont for all the issued and outstanding shares in Genesis. The bid is subject to a number of conditions and is yet to be completed.

Genesis is a public listed Company on the Australian Securities Exchange ("ASX"). It is a mineral exploration and development company with a portfolio of gold, iron, manganese, uranium and base metal (copper, zinc, silver) projects in northern and central Australia. Its exploration licences cover more than 1,136 square kilometres in Queensland and the Northern Territory of Australia and it has an interest in an exploration project in the Republic of Macedonia.

Genesis's main focus is the exploration project in the Republic of Macedonia governed by the Plavica Joint Venture Agreement (the "Plavica Project"), which is highly prospective for gold, copper and silver mineralisation. In 2012 Genesis announced a maiden JORC Inferred Mineral Resource (based on the JORC Code 2004 edition) for the Plavica Project. The results from subsequent drilling have been reported as encouraging and Genesis believes that the Plavica Project is viable at current economic conditions and prices.

Genesis has a right, upon paying for all work expenditures up to the completion of the final feasibility study, to acquire a 62% interest in the Plavica Project. Upon completion of the final feasibility study Genesis expects that the Ministry of Economics of the Republic of Macedonia will issue a 30 year exploitation licence in respect of the principle concession of the Plavica Project and Genesis expects that it will also have satisfied the terms of the Plavica JV agreement to acquire a 62% interest in the Plavica Project.

Merlin is a public listed Company on ASX. It is a diamond exploration and mining company with significant tenement holdings in Northern Australia. Merlin's main focus is the Merlin Diamond Mine Project in the Northern Territory, which is its flagship project. The Merlin Diamond Mine Project is the only diamond mine in the Northern Territory of Australia and is the second largest diamond resource in Australia.

Over the last 12 months Merlin progressed its operations at the Merlin diamond mine with the commissioning of the diamond processing plant and related infrastructure in September 2013 and the commencement of limited production. The Company is currently completing the next stage of engineering works that will increase the rate of production. Merlin aims to restart production upon completion of the engineering works and after raising additional capital needed to fund production.

On 28 February 2014 Blumont announced that it had signed a Takeover Bid Implementation Deed for the takeover of all the issued share capital in Merlin, to be satisfied by the issue of up to 1,021,597,879 Blumont shares at SGD$0.0602 per share.

The Bid is subject to a number of conditions including Blumont receiving all approvals required by law or by any government agency.

Further information about the takeover bid and the future plans of the Company can be found in other sections of the Bidder's Statement.

4. Scope of Report

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Investigating Accountant's Report to provide limited assurance on:

a) The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Blumont for the twelve months ended 31 December 2013.

b) The notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Blumont for the twelve months ended 31 December 2013.

c) The condensed consolidated Statement of Financial Position of Blumont as at 31 December 2013.

d) The condensed consolidated pro-forma Statement of Financial Position of Blumont as at 31 December 2013 adjusted on the basis of the acquisition of 100% of the issued and outstanding shares in Merlin as at that date and the completion of certain other transactions as disclosed in this report.

5. Scope of Review

Management's responsibilities

The Directors of Blumont are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

Our responsibilities

Procedures performed by us have been undertaken to form a conclusion as to whether we have become aware, in all material respects, that the historical financial information set out in Appendix 1 to 3 does not present fairly, in accordance with Australian Accounting Standards (which are equivalent to International Financial Reporting Standards) and the accounting policies adopted by the Company, a view which is consistent with our understanding of the financial position and pro-forma financial position of the Company and its controlled entities as at 31 December 2013 and of their actual and notional consolidated financial result for the year ended 31 December 2013.

We have conducted our limited assurance review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report.* We have also considered the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the notional and pro-forma information is solely to illustrate the impact of the takeover bid on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly we do not provide any assurance that the actual outcome of the takeover would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

a) a review of contractual arrangements;

b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;

c) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards in Australia and Singapore, with the accounting policies adopted by the Company;

d) a review of the assumptions used to compile the notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income and the condensed consolidated pro-forma Statement of Financial Position;

e) a review of the overall presentation of the pro-forma financial information; and

f) enquiry of directors, management and auditors of Blumont and Merlin.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Sources of information

The historical financial information has been extracted from the Company's audited consolidated financial statements for the year ended 31 December 2013, the audited consolidated financial statements of Merlin for the year ended 30 June 2013 and the unaudited consolidated financial statements of Merlin for the half years ended 31 December 2012 and 2013.

The Company's consolidated financial statements for the year ended 31 December 2013 were subject to audit by Moore Stephens LLP (the Company's auditor) in accordance with Singapore Standards on Auditing.

Merlin's consolidated financial report for the year ended 30 June 2013 was subject to audit by BDO East Coast Partnership (Merlin's auditor) in accordance with Australian Auditing Standards, whilst the consolidated financial statements for the half years ended 31 December 2012 and 2013 of Merlin were reviewed by BDO East Coast Partnership in accordance with the Australian Standard on review engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*

Historical and Pro-forma Financial Information

The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income and the notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of Blumont for the year ended 31 December 2013 are included at Appendix 1. The notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013 comprises the combination of the results of Blumont and Merlin for the year ended 31 December 2013 with one adjustment (it does not incorporate the pro-forma adjustments set out in Note 3 of Appendix 3).

The condensed consolidated Statement of Financial Position as at 31 December 2013 of the Company is included in Appendix 2.

Also included in Appendix 2 is the condensed consolidated pro-forma Statement of Financial Position of the Company which incorporates the condensed consolidated Statement of Financial Position as at 31 December 2013, adjusted on the basis of the acquisition of 100% of the issued and outstanding shares in Merlin as at that date and the completion of certain other transactions as disclosed in this report. Details of these transactions are set out in Note 3 of Appendix 3.

6. Valuation of Capitalised costs – Exploration, Evaluation and Development of Mines

Upon completion of the acquisition of Merlin, a significant asset of Blumont's will be its interests in exploration and mining tenements, comprising tenement acquisition, exploration, evaluation and mine development costs, which have been capitalised in the Statements of Financial Position.

The interests in exploration and mining tenements have been included at either cost of acquisition to Blumont or capitalised exploration, evaluation & development expenditure incurred, in the Statements of Financial Position.

We have not carried out valuations of the exploration and mining tenements and do not express a view on whether the carrying values of the capitalised exploration, evaluation and development of mines costs exceeds recoverable amounts. In addition the value of the exploration and mining tenements may rise or fall depending on such factors as future exploration results and world prices for minerals being sought.

7. Measurement of assets and liabilities acquired from Merlin

The acquisition of Merlin as recorded in the condensed consolidated pro-forma Statement of Financial Position reflects provisional amounts allocated to the assets and liabilities acquired (also refer Appendix 3, Note 4).

The assets and liabilities acquired from Merlin will be remeasured after completion of the acquisition. Whilst the total net assets acquired are not expected to change significantly, the allocation between the different types of assets acquired may change significantly as a result of this re-measurement.

8. Conclusion

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The condensed consolidated Statement of Profit or Loss and Other Comprehensive Income and the notional condensed consolidated Statement of Profit or Loss and Other Comprehensive Income of the Company for the

year ended 31 December 2013, as set out in Appendix 1, does not present fairly the results for the year then ended in accordance with the accounting methodologies required by Australian Accounting Standards;

- The condensed consolidated Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 31 December 2013 in accordance with the accounting methodologies required by Australian Accounting Standards;

- The condensed consolidated pro-forma Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 31 December 2013 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 3 of Appendix 3;

- The assumptions and applicable criteria used in the preparation of the condensed consolidated pro-forma Statement of Financial Position of the Company as at 31 December 2013 do not provide a reasonable basis for presenting the significant effects directly attributable to the takeover bid and do not reflect proper application of those adjustments to the unadjusted financial information.

9. Consistency in Application of Accounting Standards

We have been advised by the Directors' of Blumont that the Company's audited consolidated financial statements for the year ended 31 December 2013 have been prepared in accordance with Singapore Financial Reporting Standards, with the accounting policies applied and methods of computation used being consistent with those adopted in the preparation of the Company's most recently audited financial statements.

There are no key differences between Australian Accounting Standards (Australian Equivalents to International Financial Reporting Standards - "AIFRS") and Singapore Financial Reporting Standards ("FRS"), with both countries closely modelling their accounting standards on the International Financial Reporting Standards issued by the International Accounting Standards Board.

Accordingly we expect there to be no material differences between the consolidated financial statements of Blumont for the year ended 31 December 2013, as they have been prepared, in comparison to their preparation under AIFRS. In order to confirm this view we reviewed the Company's audited consolidated financial statements for the year ended 31 December 2013 and made enquiries of the persons at Blumont responsible for the financial information included therein. Based on our review and discussions nothing has come to our attention that indicates that Blumont's audited consolidated financial statements for the year ended 31 December 2013, have not been prepared on a basis consistent with Australian Accounting Standards (AIFRS).

Our review and discussions in relation to the above matter was substantially less in scope than an audit or review conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or review. Accordingly we do not express an audit opinion or provide any level of assurance in relation to the Company's audit reviewed consolidated financial results for the year ended 31 December 2013.

10. Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 31 December 2013 not otherwise disclosed in this report or the Bidder's Statement, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

The condensed consolidated pro-forma Statement of Financial Position of Blumont as at 31 December 2013, as presented in Appendix 2 of our report, does not take into account the trading results of Blumont and its controlled entities subsequent to 31 December 2013, except to the extent of specific transactions itemised in Note 3 of Appendix 3.

11. Other Matters

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased conclusion on this matter.

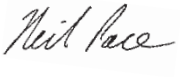
In conducting the review we have complied with the independence requirements of the Corporations Act 2001 and the applicable code of professional conduct.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens Perth, a related practice entity of Moore Stephens Perth Corporate Services Pty Ltd, has also provided a letter for inclusion in the Bidders Statement summarising the tax implications of the offer for Blumont shareholders. Moore Stephens Perth will receive a professional fee for the preparation of this letter.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Bidder's Statement and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Bidder's Statement.

Yours faithfully



Neil Pace
Director

Signed at Perth this 23rd day of April 2014.

BLUMONT GROUP LTD
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

Summarised below is the Company's audited actual and unaudited notional condensed consolidated Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013. The unaudited notional condensed consolidated Statements of Profit or Loss and Other Comprehensive Income illustrate what the financial performance of the Company would have been had it owned Merlin from 1 January 2013 (the results of Blumont and Merlin have been combined, with one adjustment as noted below - it does not incorporate the pro-forma adjustments set out in Note 3 of Appendix 3).

	Note	Audited Actual 31.12.2013 S$'000	Unaudited Notional 31.12.2013 S$'000
Revenue	5	3,604	4,537
Other (losses)/gains – net	6	(63,393)	(63,277)
Expenses			
- Raw material and consumables used		(1,234)	(1,234)
- Employee benefits	7	(2,119)	(5,942)
- Others	8	(7,843)	(11,824)
- Allowance for impairment of financial assets, available-for-sale	22	(10,024)	(10,024)
- Finance	9	(198)	(246)
Total expenses		(21,418)	(29,270)
(Loss)/Profit for the year		(81,207)	(88,010)
Income tax benefit	10	9,839	9,839
(Loss)/Profit for the year		(71,368)	(78,171)
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gains/(losses) on defined benefit plan		112	112
Items that reclassified and may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(1,215)	(1,221)
Net change in fair value of financial assets, available for sale		1,662	1,662
Reclassification of currency translation reserve on disposal of subsidiary		-	-
Other comprehensive (loss)/income net of tax		559	553
Total comprehensive (loss)/income for the year		(70,809)	(77,618)

BLUMONT GROUP LTD
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

(cont'd)

	Note	Audited Actual 31.12.2013 S$'000	Unaudited Notional 31.12.2013 S$'000
(Loss)/Profit for the year attributable to:			
Owners of the Company		(70,815)	(77,618)
Non-controlling interests		(553)	(553)
		(71,368)	(78,171)
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(69,880)	(76,689)
Non-controlling interests		(929)	(929)
		(70,809)	(77,618)
(Losses)/Earnings per share attributable to owners of the Company (expressed in cents)			
- Basic	11	(3.78)	(2.68)
- Diluted	11	(3.78)	(2.68)
Allocation of Notional Comprehensive (loss)/income			
- Blumont			(70,809)
- Merlin			(6,809)
			(77,618)

Preparation of the Unaudited Notional Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The preparation of the unaudited notional condensed consolidated statement of profit or loss and other Comprehensive Income combines the results of Blumont and Merlin for the year ended 31 December 2013 with the following adjustment:

- Exploration and evaluation expenditure of SGD$5,275,000 expensed by Merlin has been deducted from expenses on the basis that Blumont's accounting policy is to capitalise such expenditure in the Statement of Financial Position.

BLUMONT GROUP LTD
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Audited Actual 31.12.2013	Unaudited Pro-forma 31.12.2013
		S$'000	S$'000
ASSETS			
Current assets			
Cash and cash equivalents	12	2,534	20,338
Financial assets, at fair value through profit or loss	13	18,389	12,827
Trade and other receivables	14	1,645	6,770
Other current assets	15	225	260
Development properties	16	5,630	5,630
Assets held for sale	17	2,003	2,003
		30,426	47,828
Non-current assets			
Exploration, Evaluation & Development Expenditure	18	-	44,849
Derivative assets	23	533	533
Goodwill arising on consolidation	20		-
Investment properties	21	1,658	1,658
Financial assets, available-for-sale	22	52,441	58,200
Property and equipment	24	2,613	8,546
Other non-current assets		2	1,866
Deferred tax assets	29	87	87
		57,334	115,739
Total Assets		87,760	163,567
LIABILITIES			
Current liabilities			
Trade and other payables	25	6,389	16,681
Borrowings	26	3,741	16,172
Current income tax liabilities		93	93
Provisions		-	23
		10,223	32,969
Non-current liabilities			
Employee compensation	28	391	391
Borrowings	26	208	208
Deferred tax liabilities	29	28	28
Provisions - Rehabilitation		-	1,406
		627	2,033
Total liabilities		10,850	35,002
Net Assets		76,910	128,565
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	30	99,042	160,543
Reserves	31	(832)	(832)
Accumulated losses		(23,922)	(33,768)
		74,288	125,943
Non-controlling interests		2,622	2,622
Total Equity		76,910	128,565

BLUMONT GROUP LTD
(Incorporated in Singapore with Limited Liability)

AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION
31 DECEMBER 2013

1 Significant Accounting Policies

(a) Basis of Preparation

The audited actual and unaudited notional and pro-forma condensed consolidated financial information of Blumont and its controlled entities (the "Group") for the year ended 31 December 2013 has been prepared on a condensed basis in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards ("FRS"), including related Interpretations of FRS ("INT FRS"), which are consistent with Australian Equivalents to International Financial Reporting Standards – "AIFRS".

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial information of the Group is presented in Singapore dollars, which is the functional currency of the Company and all values presented are rounded to the nearest thousand ("S$'000") unless otherwise stated.

The condensed consolidated financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group's audited annual report for the year ended 31 December 2013 (when available) the Group's audited annual report for the year ended 31 December 2012 and the Group's quarterly results announcements made during the last 12 months, which are available on the Company's and SGX's websites.

The financial information has been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Accounting policies and methods of computation used in the condensed consolidated financial information are consistent with those applied in the Group's audited consolidated management accounts for the year ended 31 December 2013.

(b) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Adoption of New/Revised FRS which are effective

On 1 January 2013, the Group and the Company adopted the following revised/amended FRS which are effective and are relevant to the Group and the Company and mandatory for application:

		Effective for annual periods beginning on or after
Amendments to FRS 1	*Presentation of items of Other Comprehensive Income*	1 July 2012
Improvements to FRS 2012:		1 January 2013
- Amendments to FRS 1	*Presentation of Financial Statements*	
- Amendment to FRS 16	*Property, Plant and Equipment*	
- Amendment to FRS 32	*Financial Instruments: Presentation*	
Amendments to FRS 107	*Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013
FRS 19	*Employee Benefits*	1 January 2013
FRS 113	*Fair Value Measurement*	1 January 2013

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1 Significant Accounting Policies (cont'd)

(b) Changes in Accounting Policies (cont'd)

The adoption of these new or revised FRSs did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current and prior financial years, except for the Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*, FRS 19 *Employee Benefits* and FRS 113 *Fair Value Measurement*. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*, FRS 19 *Employee Benefits* and FRS 113 *Fair Value Measurement* are described below:-

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income.*

On 1 January 2013, the Group adopted the amendments to FRS 1 which are effective for annual periods beginning on or after 1 July 2012.

The amendments to FRS 1 changes the grouping of items presented in other comprehensive income. Items that will be reclassified subsequently to profit or loss when specific conditions are met would be presented separately from items that will not be reclassified subsequently to profit or loss. As the amendments only affect the presentation of items that are already recognised in other comprehensive income, there is no impact on the financial position or performance of the Group upon adoption of these amendments.

Revised FRS 19 *Employee Benefits*

On 1 January 2013, the Group adopted the Revised FRS 19 *Employee Benefits,* which is effective for annual periods beginning on or after 1 January 2013.

For defined benefit plans, the Revised FRS 19 requires all actuarial gains and losses to be recognised in other comprehensive income and unvested past service costs previously recognised over the average vesting period to be recognised immediately in profit or loss when incurred.

Prior to adoption of the Revised FRS 19, the Group recognised actuarial gains and losses as income or expense when the net cumulative unrecognised gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognised unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the revised FRS 19, the Group changed its accounting policy to recognised all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur.

The Revised FRS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net balance sheet defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period.

The Revised FRS 19 also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits. In addition, the Revised FRS 19 modifies the timing of recognition for termination benefits. The modification requires the termination benefits to be recognised at the earlier of when the offer cannot be withdrawn or when the related restricting costs are recognised.

There is a new term "remeasurements". This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

"Employee compensation" as previously reported has been restated at the reporting dates to reflect the effect of the above. Amounts have been restated as at 1 January 2012 as S$517,858 (previously S$492,665) and 31 December 2012 as S$609,568 (previously S$455,961).

The effect of the change in accounting policy on the statement of cash flows and on earnings per share was immaterial.

FRS 113 *Fair Value Measurement*

FRS 113 establishes a single source of guidance under FRS for all fair value measurements of both financial and non-financial items.

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1 Significant Accounting Policies (cont'd)

(b) Changes in Accounting Policies (cont'd)

FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

The application of FRS 113 has not materially impacted the fair value measurements carried out by the Group. The Group provides these disclosures in Note 30(d).

(c) Group Accounting

(i) Subsidiaries

Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity.

Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity in the consolidated statement of financial position, it is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standards.

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1 Significant Accounting Policies (cont'd)

(c) Group Accounting (cont'd)

(i) Subsidiaries (cont'd)

Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(ii) Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

(d) Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2011 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2011 and on acquisition of joint ventures and associates represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained earnings in the year of acquisition and not recognised in the income statement on disposal.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 1(t) Foreign currencies.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in S$ at the rates prevailing at the date of acquisition.

(e) Revenue Recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and/or rendering of services in the ordinary course of business, net of goods and services/value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognise revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(i) Rendering of services

Revenue from sterilisation contracts are recognised when sterilisation services have been rendered.

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1 Significant Accounting Policies (cont'd)

(e) Revenue Recognition (cont'd)

(ii) Sale of development properties

Revenue from the sale of development properties is recognised using the percentage-of-completion method based on the stages of completion. Under the percentage-of-completion method, profit is recognised only in respect of sales procured and to the extent that such profit relate to the progress of construction work. The stage of completion is measured by reference to the sales contract per certification by architects.

In all other instances, revenue from sale of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

(iii) Property and project management fees

Property and project management fees are recognised when services are rendered under the terms of the contract.

(iv) Rental income

Rental income from operating lease (net of any incentives given to the lessees) is recognised on a straight-line method over the lease term as set out in specific rental agreements.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(vi) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(f) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes and land that is held for long-term capital appreciation or for a current indeterminate use), are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value, determined annually by independent professional valuers on the highest-and-best use basis.

Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property and equipment set out in the accounting policies for "Property and Equipment" up to the date of change in use.

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1 Significant Accounting Policies (cont'd)

(g) Property and Equipment

(i) Measurement

All property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(ii) Depreciation

Freehold land has an unlimited useful life and is therefore not depreciated.

Depreciation of other property and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Freehold building	20 years
Renovations	5 years
Furniture and fittings	5 years
Office, computer and other equipment	3, 5 and 8 years
Cobalt isotope	10 years
Motor vehicles	7 and 8 years

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings are capitalised in the cost of the property under development.

Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to development expenditures that are financed by general borrowings.

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1 Significant Accounting Policies (cont'd)

(h) Borrowing Costs (cont'd)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period using the effective interest method in which they are incurred.

(i) Impairment of Non-Financial Assets

(i) Property and equipment
Investments in subsidiaries

Property and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised estimate of its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in profit or loss.

(ii) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated, from the acquisition date, to each of the Group's CGU or groups of CGU, that are expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(j) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

1 Significant Accounting Policies (cont'd)

(k) Financial Assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling it in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within twelve months after the end of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those expected to be realised later than twelve months after the end of the reporting period which are presented as non-current assets.

Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. These are presented as non-current assets unless management intends to dispose of the assets within twelve months after the end of the reporting period.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as an expense in profit or loss.

(iv) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

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1 Significant Accounting Policies (cont'd)

(k) Financial Assets (cont'd)

Financial assets, available-for-sale (cont'd)

(iv) Subsequent measurement (cont'd)

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(v) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Financial assets, available-for-sale

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense.

The impairment losses recognised as an expense on equity securities are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(l) Development Properties

Development properties are those properties, which are held with the intention of development and sale in the ordinary course of business. These are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

(m) Assets Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less cost to sell.

1 Significant Accounting Policies (cont'd)

(m) Assets Held for Sale (cont'd)

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense in profit or loss. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(n) Employee Compensation

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee benefits expense when they are due, unless they can be capitalised as an asset.

(ii) Provision for employee benefits

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Payments to defined contribution retirement benefit plans are recognised as an expense when the employees have rendered service entitling them to the contributions.

A subsidiary in the Group has an unfunded defined benefit plan covering substantially all of their eligible permanent employees in accordance with the Labour Law No. 13 Year 2004 ("Law No. 13/2004") of Indonesia. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actual gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b) Net interest expense or income; and

c) Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'employee benefits'. Curtailment gains and losses are accounted for as past service costs.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date.

At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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1 Significant Accounting Policies (cont'd)

(n) Employee Compensation (cont'd)

(iii) Share-based compensation (cont'd)

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

(o) Rehabilitation Provision

The estimated costs of future site rehabilitation and restoration associated with previous exploration and/or mining activity are provided for as and when an obligation arises and are included in the costs of the related area of interest.

The provision is based on the costs expected to be incurred at the expiry of the respective licence agreements. Such costs are determined based on estimates of future costs, current legal requirements and technology, and any changes in the estimates for the costs are accounted for on a prospective basis. The provision is assessed on a continuing basis.

(p) Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

(q) Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(r) Leases

(i) When the Group is the lessee:

Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the statement of financial position as property and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on the basis that reflects a constant periodic rate of interest on the finance lease liability.

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1 Significant Accounting Policies (cont'd)

(r) Leases (cont'd)

(i) When the Group is the lessee: (cont'd)

Lessee - Operating leases

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the leases.

When a lease is terminated before the lease period expires, any payment made (or received) by the Group as penalty is recognised as an expense (or income) when termination takes place.

(ii) When the Group is the lessor:

Lessor - Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

(s) Inventories

Inventories are carried at the lower of cost, using the weighted average method, and net realisable value. Inventories comprise materials and supplies to be consumed in the rendering of sterilisation services.

Net realisable value is the estimated selling price of sterilisation services less applicable costs of conversion to complete their services and applicable variable selling expenses. Allowance is made for damaged, obsolete and slow-moving inventories.

(t) Income Tax

Income tax expense represents the sum of the income tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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1 Significant Accounting Policies (cont'd)

(t) Income Tax (cont'd)

(ii) Deferred tax (cont'd)

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfy the criteria for separate recognition when a business combination is initially accounted for but is subsequently realised, the acquirer shall recognise the resulting deferred tax income in profit or loss or a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The directors of the Company reviewed Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the Amendments to FRS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

(iii) Current income and deferred tax for the period

Current and deferred tax are recognised as income or an expense in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

(u) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Singapore Dollars ("SGD$ or S$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

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1 Significant Accounting Policies (cont'd)

(u) Foreign Currencies (cont'd)

(ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;

- Income and expenses are translated at an average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

- All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

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1 Significant Accounting Policies (cont'd)

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors who are responsible for allocating resources and assessing performance of the operating segments.

(x) Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(y) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure, including the cost of acquisition in relation to separate areas of interest for which rights of tenure are current, are brought to account in the year in which they are incurred and are carried at cost.

The exploration expenditure is carried forward as an asset where:

(i) It is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest or by its sale; or

(ii) Exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Where there has been a decision to proceed with the development, accumulated expenditure is amortised over the life of the associated resource once mining operations commence.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The key points that are considered in this review include:

- Planned drilling programs;
- Environmental issues that may impact the underlying tenements;
- The estimated market value of the assets at the review date; and
- The results of pre-feasibility studies.

Information used in the review process is rigorously tested to externally available information as appropriate.

2. Critical Accounting Estimates, Assumptions and Judgements

(a) Critical judgements in applying Group's accounting policies

In the process of applying the Group's accounting policies, management has made judgements that are expected to have a significant effect on the amounts recognised in the financial statements and other key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

Acquisition of a Subsidiary Accounted for as an Acquisition of an Asset

During the financial year, the Group acquired a 100% equity interest of a subsidiary for a consideration of SGD$10,001,250. The acquisition was accounted for as an acquisition of an asset due to the absence of one of the three elements of a business which is the "process" as defined in FRS 103 *Business Combinations*. The subsidiary is an investment holding company and generates income from its financial asset, available-for-sale - an equity investment in an investment holding entity that invests mainly in the mining industry. The Group does not have strategic management and operational processes that are essential in running mining operations. As such, the acquisition of this subsidiary was accounted for as an acquisition of an asset as the transaction does not meet the definition of a "business" as required by FRS 103.

The carrying amount of the acquired assets as at the date of acquisition is disclosed in Note 22.

Impairment of Financial Assets, Available-for-sale

Management reviews its financial assets, available-for sale for objective evidence of impairment at the end of each reporting period. A significant or prolonged decline in the fair value of an equity investment below its cost is considered as an indicator that the financial asset, available-for-sale is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity investments is not reversed through profit or loss.

During the financial year, the Group has impaired SGD$10,022,910 (2012: Nil) to profit or loss as a result of a significant or prolonged decline in the fair value of certain financial assets, available-for-sale as disclosed in Note 22. The carrying amount of the Group's financial assets, available-for-sale as at 31 December 2013 is disclosed in Note 22.

Impairment of Trade and Other Receivables

Management reviews its loans and receivables for objective evidence of impairment at the end of each reporting date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has make judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effects in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The carrying amount of the Group's trade and other receivables as at 31 December 2013 are disclosed in Note 14.

Income Taxes

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and taxability of certain income in each relevant tax jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group's income tax liabilities as at 31 December 2013 is SGD$93,520. The Group's deferred tax liabilities are disclosed in Note 29.

2. Critical Accounting Estimates, Assumptions and Judgements (cont'd)

Litigation

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities.

As disclosed in Note 38, the Group is a defendant of the Consortium in a legal action involving the termination of a conditional subscription agreement with Prospect Resources Limited ("PSC"). The litigation proceedings is on-going and the Company maintains that the termination notice is valid and intends to vigorously defend its position in the litigation proceedings. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may or may not have a material adverse impact on the financial position of the Group. The directors of the Company have taken the view that such a material adverse outcome is very unlikely, and accordingly, no provision has been made in the financial statements for any potential liability that may arise from the ligation proceedings.

Impairment of exploration and mining interests

The future recoverability of capitalised exploration, evaluation and development expenditure is dependent on a number of factors, including whether the Company decides to explore and exploit the related lease itself or, if not, whether it successfully recovers the related exploration, evaluation and development asset through sale.

Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations and changes to commodity prices). To the extent that capitalised expenditure is determined not to be recoverable in the future, this will reduce profit and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which the determination is made.

The carrying amount of the Group's capitalised exploration, evaluation and development expenditure as at 31 December 2013 was SGD$Nil (pro-forma SGD$44,849,000).

Rehabilitation Provision

As set out in note 1 (o) provision is made for rehabilitation and restoration associated with previous and current exploration and mining activity. The provision is based upon director's estimates of the future cost of restoration. Significant judgement is required in determining the provisions for mine rehabilitation and closure. A change in any or a combination of the key assumptions used to determine the provisions could have a material impact on the carrying value of the provisions. The provision recognised at each reporting date is based on the facts and circumstances available at the time with any changes to estimated future costs recognised in the provision for that reporting period. The carrying amount of the Group's rehabilitation provision as at 31 December 2013 was SGD$nil (pro-forma SGD$1,406,000).

(b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Accounting for Convertible Notes/Derivative Financial Assets

During the financial year, the Group holds two 10-year convertible notes for a principal amount of SGD$15,168,000 and SGD$2,818,750 with a nominal interest rate of 10% and 12.5% per annum, respectively. FRS 39 *Financial Instruments Recognition and Measurement* requires that in the Group's financial statements, on initial recognition of the convertible notes, the equity component is accounted for as a derivative financial asset of the Group, the fair value of which is calculated first, with the available-for-sale component treated as a residual amount. This requirement resulted in the use of estimates and assumptions to separate the derivative financial assets from the convertible notes. The Group estimated effective interest rates of 10.46% and 13.23% for the convertible notes with the principal amount of SGD$15,168,000 and S$2,818,750, respectively. Changes to the estimates and assumptions will result in changes in the fair value of the derivative financial assets.

2. Critical Accounting Estimates, Assumptions and Judgements (cont'd)

Accounting for Convertible Notes/Derivative Financial Assets (cont'd)

The fair value of the derivative financial assets and financial assets, available-for sale as at 31 December 2013 amounted to SGD$532,570 and SGD$17,454,180 respectively.

If management's estimated pre-tax effective interest rate applied to the discounted cash flows for the convertible notes as at 31 December 2013 is raised by 1.5% (2012: Nil), the derivative financial assets of the convertible notes would have increased by approximately SGD$1,470,000 (2012: Nil) and the available-for-sale component would have decreased by the same amount.

Employee Compensation

The present value of employee compensation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, rate of future salary increase and rate of resignation. Any changes in these assumptions will impact the carrying amount of employee compensation.

In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligations. These corporate bonds generally have a AA rating with low risk of default. The interest rate is used to determine the present value of estimated future cash outflows expected to be required to settle employee compensation. Management does not expect any variable changes in the assumptions used to determine the present value of employee compensation on an actuarial basis will result in the amount determined to be materially different. A 1% increase or decrease in the discount rate used in calculating the employee compensation would have no significant impact on the amount recognised during the year.

The carrying amount of the Group's employee compensation as at 31 December 2013 is disclosed in Note 28.

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3 The Preparation of the Unaudited Condensed Consolidated Pro-Forma Statement of Financial Position

The 31 December 2013 unaudited condensed consolidated Statement of Financial Position of the Group has been adjusted to reflect the impact of the following transactions which have or are expected to take place subsequent to 31 December 2013:

- The acquisition by Blumont of all the issued and outstanding shares in Merlin satisfied by the issue of 1,021,597,879 Blumont shares at SGD$0.0602 per share. On this basis the consideration is valued at SGD$61.5 million.

- The issue of shares by Merlin, subsequent to 1 January 2014, relating to share placements with investors, placing 143,333,333 fully paid ordinary shares at a price of AUD$0.075 each for total cash consideration of SGD$12,147,500.

- Options in Merlin converted to shares, subsequent to 1 January 2014, resulting in the issue of 28,975,000 fully paid ordinary shares at a price of AUD$0.15 each for total cash consideration of SGD$4,911,263.

- The subscription by Blumont for 26,000,000 fully paid ordinary shares in the capital of Merlin Diamonds Limited at a subscription price of AUD$0.075 per share for a total subscription price of AUD$1.95 million (approximately S$2,198,000).

- The accrual of an estimated SGD$546,000 in costs to be incurred by the Company in relation to the acquisition of Merlin and an estimated SGD$2,050,000 in associated stamp duty costs, and the subsequent expensing of these costs in the Statement of Profit or Loss and other Comprehensive Income.

- Approximately SGD$11,349,000 (net) has been drawn down on the Wintercrest financing facility. This was utilised for acquiring financial assets - available for sale (funds advanced to Azarga, Celsius and Cokal) of SGD$4,490,000, for repayment of trade and other payables of SGD$4,430,000, for working capital of SGD$1,000,000 and for various expenses of SGD$1,429,000. In addition an amount of approximately SGD$1,270,000 of financial assets – at fair value through profit or loss has been disposed of with the funds utilised for acquiring financial assets – available for sale (funds advanced to Azarga).

- The sale of financial assets – at fair value through profit or loss having a book value of SGD$8,151,000 resulting in a loss recognised of SGD$4,809,000, and the purchase of additional financial assets – at fair value through profit or loss for consideration of SGD$3,859,000.

- The amortisation of borrowing costs of SGD$1,011,000 to the Statement of Profit or Loss and other Comprehensive Income which resulted in a corresponding increase in borrowings.

- The statement of financial position for Merlin for the year ended 31 December 2013 has been translated from Australian Dollars (AU$) to Singapore Dollars (SGD$) at an exchange rate of AUD$1 to SGD$1.13 which is the exchange rate quoted in the proposed takeover bid announcement on 28 February 2014.

4 The Preparation of the Unaudited Condensed Consolidated Pro-Forma Statement of Financial Position

Details of the acquisition of Merlin transaction, provisionally measured are:

	S$'000
Purchase consideration	63,699
Assets and liabilities held at acquisition date, at estimated fair values:	
Cash	17,084
Other current assets	5,114
Inventories	35
Property, plant and equipment	5,921
Mining interests – at book value	11,734
Mining interests – acquired	33,154
Other financial assets	1,860
Trade & other payables	(9,705)
Employee & rehabilitation provisions	(1,426)
Financial liabilities	(72)
	63,699

NB. Merlin does not adopt the same accounting policy as Blumont in relation to exploration, evaluation and development expenditure. Unlike Blumont, exploration and evaluation expenditure is expended to the statement of profit or loss and other comprehensive income, except for acquisition costs and expenditure incurred after a decision to proceed to development is made, in which case the expenditure is capitalised as an asset.

5 Revenue

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Revenue from sterilisation contracts	2,550	2,550
Revenue from sale of development properties	1,010	1,010
Revenue from management fees	20	308
Rental income	24	24
Diamond sales	-	288
Interest revenue	-	357
	3,604	4,537

6 Other (Losses)/Gains - Net

Revenue arising from investment holding:		
Management fee income	555	555
Fair value (losses)/gains - net (Note 13)		
- financial assets held for trading	-	-
- financial assets, at fair value through profit or loss	(64,090)	(64,090)
(Losses)/Gains on the disposal of financial assets, at fair value through profit or loss – net	(700)	(700)
	(64,235)	(64,235)
Interest income		
- bank balances	26	26
- loan facility and convertible notes	542	542
- others	83	184
Currency exchange gains/(losses) – net	33	33
(Loss)/Gain on disposal of property and equipment	(9)	(9)
Losses on disposal of investment properties and assets held for sale	(27)	(27)
Property and equipment written off	-	-
Write-back/(Allowance) for foreseeable losses	144	144
Miscellaneous income	50	65
	(63,393)	(63,277)

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7 Employee Benefits

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Short term employee benefits	1,873	5,696
Post employment benefits	53	53
Other long term employee benefits	68	68
Termination costs	125	125
	2,119	**5,942**

8 Other Expenses

Allowance for impairment on other receivables – third party	2,837	2,837
Audit fees:		
- auditors of the Company	140	140
- underprovision in prior year	7	94
- other auditors	13	13
Travelling expenses	250	946
Transaction costs	1,049	1,049
Upkeep expenses	255	255
Marketing and advertising	90	90
Depreciation of property and equipment (Note 24)	379	472
Directors' fees - current year	102	102
Legal professional and consultancy fees	1,514	1,972
Management service fee	505	505
Rental expense - operating leases	122	466
Others	580	2,883
	7,843	11,824

Transaction costs arose from various acquisitions and disposals of financial assets at fair value through profit or loss.

9 Finance Expense

Interest expense		
- share margin financing facility	24	24
- finance lease liabilities	17	17
- financing facility	157	205
	198	246

10 Income Tax Benefit

Income tax benefit comprised:		
Current income tax	222	222
Deferred tax (Note 29)	(10,029)	(10,029)
	(9,807)	(9,807)
(Over)/Under provision in prior years		
- current income tax	(32)	(32)
Total income tax expense/(benefit)	(9,839)	(9,839)

The income tax expense on the (loss)/profit before income tax differs from the amount that would arise using the Singapore statutory rate of income tax as explained below:

(Loss)/Profit before income tax	(81,207)	(88,010)
Tax calculated at a tax rate of 17%	(13,805)	(14,962)
Effect of different tax rates in other countries	60	60
Tax exempt revenues	(24)	(24)
Income not subject to tax	(325)	(325)
Expenses not deductible for tax purposes	4,564	4,564
Deferred tax assets not recognised	(277)	880
(Over)/Under provision of income tax in prior years	(32)	(32)
	(9,839)	(9,839)

The tax rate used for the 2013 year reconciliations above is the corporate tax rate of 17% payable by corporate entities in Singapore (which are the major operating entities of the Group) on taxable profits under tax laws in that jurisdiction.

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11 (Losses)/Earnings per Share

a) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing the net loss attributable to equity holders of the Company of SGD$70,815,441 (pro-forma SGD$77,618,000) by the weighted average number of ordinary shares outstanding of 1,877,852,984 (pro-forma 2,899,450,863).

b) Diluted (losses)/earnings per share

For the purpose of calculating diluted (losses)/earnings per share, it was based on net loss attributable to equity holders of the Company of SGD$70,815,441 (pro-forma SGD$77,618,000) divided by the weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares, of 1,877,852,984 (pro-forma 2,899,450,863). As at 31 December 2013, the diluted (losses)/earnings per share is the same as the basic (losses)/earnings per share as there were no dilutive potential ordinary shares.

12 Cash and Cash Equivalents

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Cash at bank and on hand	1,273	19,077
Short-term bank deposits	1,261	1,261
	2,534	20,338

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

Cash and bank balances (as above)	2,534	20,338
Less: Bank deposits pledged	(3)	(3)
Cash and cash equivalents per consolidated statement of cash flows	2,531	20,335

Bank deposits of the Group were pledged to a bank to secure a bank guarantee facility for the Group.

13 Financial Assets, at Fair Value through Profit or Loss

Balance at beginning of the year	100,386	100,386
Additions	151,133	154,992
Disposals	(169,040)	(178,461)
Fair value (losses)/gains - net	(64,090)	(64,090)
Balance at end of the year	18,389	12,827
At fair value on initial recognition		
Listed securities:		
Equity securities - Singapore	18,366	12,804
Equity securities - Malaysia	23	23
	18,389	12,827
Held for trading		
Listed securities:		
Equity securities - Singapore	-	-
	18,389	12,827

Certain financial assets, at fair value through profit or loss, of the Group amounting to SGD$774,320 have been pledged as security for share margin financing facilities provided to the Group [Note 26(a)].

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14 Trade and Other Receivables

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Trade receivables		
- third parties (a)	307	307
Trade & other receivables – Merlin (b)	-	5,125
Other receivables – third parties (c), (d)	4,175	4,175
Less: Allowance for impairment (d)	(2,837)	(2,837)
Other receivables – net	1,338	1,338
Total trade and other receivables	1,645	6,770

a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days.

b) Comprises loans receivable of SGD$4,320,000 and other debtors of SGD$805,000.

c) In 2012, other receivables included a deposit with a third party which amounted to SGD$4,200,000 for future purchase of investment securities. The purchase was completed on 25 February 2013 for a consideration of SGD$3,530,038 with a refundable of SGD$669,962 which was received in March 2013.

d) In 2013, other receivables included an advance payment made to a third party to secure a potential investment in subscription for new shares in Resource Generation Limited ("RES"), estimated to be between AUD$20,970,000 to AUD$22,110,000. On 18 December 2013, the Group entered into a deed of settlement with RES to amend the terms of a Share Subscription Agreement ("SSA") which was entered into on 16 September 2013. The completion date under the SSA was extended to 26 February 2014. As stipulated in the deed of settlement, the Group had paid AUD$2,500,000 (equivalent to SGD$2,837,500) as an advance payment towards payment for the subscription price for the placement shares. If the Group failed to pay to RES the balance payment by 26 February 2014 (which it subsequently did fail to do), the amount of AUD$2,500,000 will be forfeited. On 26 February 2014 the Company notified RES that it had elected not to proceed with the subscription and the share subscription agreement was deemed terminated as of that date. As at 31 December 2013, the advance payment of SGD$2,837,500 was fully impaired.

15 Other Assets

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Current		
Deposits	85	119
Prepayments	138	138
Inventories	1	1
	224	258
Non-current		
Prepayments	1	2
	1	2
Total other assets	225	260

16 Development Properties

Properties for development representing mainly land, at cost	5,536	5,536
Less: Allowance for foreseeable losses	-	-
	5,536	5,536
Completed units, at cost	94	94
	5,630	5,630

a) On 7 October 2010, the Group, through Phelago Holdings Pte. Ltd., a wholly-owned subsidiary, entered into a conditional sale and purchase agreement with Capri Investments L.L.C. ("Capri Investments") to acquire thirty-seven (37) units of lots of land for development of residential lots and commercial centre in the United States of America for a total purchase consideration of SGD$2,956,219. The proposed acquisition was approved during an extraordinary general meeting of the Company held on 25 April 2011. On 28 September 2011, the Group had completed the

16 Development Properties (cont'd)

above proposed acquisition. The purchase consideration was satisfied by the issuance of 197,081,240 new ordinary shares of the Company on the basis of SGD$0.015 each, amounting to SGD$2,956,219.

Following the completion of the proposed acquisition in 2011, the Group disposed of 13 units of the properties for a cash consideration of SGD$1,009,993 during the current financial year, which was included in revenue in profit or loss and included in the property segment.

In 2013, the Company wrote back an allowance for foreseeable losses of SGD$143,512 on the basis of all units sold during the financial year, which was included in "Other (losses)/gains - net" in profit or loss and included in the property segment.

b) Details of the Group's development properties are as follows:

Description and Location	Usage	Tenure, (unexpired terms) and Land Area (square metre)	Stage of Completion and (Expected Year of Completion)	Effective Interest in Property	Net Book Value 2013	Net Book Value 2012
				%	S$'000	S$'000
Vacant land for development of apartments Malaysia H.S. (D) 181352, P.T. No. 948, Section 13, Town of Shah Alam, District of Petaling, Selangor	Commercial	Leasehold, (88 years) 7,863 sq. metre	-	65	5,536	5,643
In 201213 lots of land for development of residential lots and commercial centre United States of America Plat of Falling Water, Division 3, Phase 1, A P.D.D., Washington Auditor's No. : 200610185004, Pierce County, Washington	Commercial	Freehold, 7,766 sq. metre	- (2014)	100	-	977
1 unit shop lot Malaysia • Kota Kinabalu Country • Lease No. 015400987, Town of Menggatal, District of Kota Kinabalu, Sabah	Commercial	Leasehold, (902 years) 100 sq. metre	100% (2010)	100	94	91
					5,630	6,712

- The development of vacant land for development of apartments is yet to commence and is subject to the revised proposal of development to be submitted to authority for approval.

17 Assets Held for Sale

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Balance at beginning of the year	460	460
Transferred from investment property (Note 21)	2,003	2,003
Currency translation differences	-	-
Disposals	(460)	(460)
Balance at end of the year	2,003	2,003

In 2013, the non-current asset held for sale comprises the investment properties at Parcel No. 5-9 (Type C), 5-11 (Type B1), 12-10 (Type E1) and 13a-6 (Type B), Clear Water Residence, Malaysia reclassified for sale after the year end, of which sale and purchase agreement dated 13 January 2014 had been entered with an external party for the disposal of No. 5-9 (Type C). The Group had entered into a sale and purchase agreement on 26 December 2013 with an external party for the disposal of 12-10 (Type E1).

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18 Exploration, Evaluation & Development Expenditure

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Exploration, Evaluation & Development		
Book value of exploration/evaluation expenditure	-	-
Book value of development expenditure	-	11,735
Measurement to estimated fair value – Exploration, evaluation & development expenditure	-	33,154
	-	**44,849**

Exploration and evaluation expenditure carried forward relate to the costs of acquisition, exploration and evaluation in relation to separate areas of interest within Genesis' mineral projects, of which rights of interest are current and it is expected that the expenditure will either be recovered through successful development and exploitation or the exploration activities are continuing and activities have not yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project has been abandoned the expenditure incurred thereon is written off in the year in which the decision is made.

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19 Investments in Subsidiaries/Loans to Subsidiaries

a) The subsidiaries held by the Company and the sub-subsidiaries as at 31 December 2013 are as follows:

Name of companies Country of business/incorporation	Principal activities	Effective equity held by the Group 2013	 2012
		%	%
Held by the Company			
Adroit Innovations Investment Pte Ltd [(a)] Singapore	Investment holding	100	100
G1 Investments Pte. Ltd.[(a)] Singapore	Investment holding	100	100
Tria Holdings Pte. Ltd. [(a)] Singapore	Investment holding	100	100
Asphere Holdings Pte. Ltd. [(a)] Singapore	Investment holding	100	100
Tyzen Holdings Pte. Ltd. [(a)] Singapore	Investment holding	100	100
Phelago Holdings Pte. Ltd. [(a)] Singapore	Investment holding	100	100
Raintree Rock Sdn. Bhd. [(b)] Malaysia	Investment holding	100	100
Venturistic Holdings Pte. Ltd. [(d)] Singapore	Investment holding	-	100
Powerlite Ventures Limited [(a)] Singapore/British Virgin Islands	Investment holding	100	-
Blumont Copper Pte. Ltd. [(a)] Singapore	Investment holding and copper mining	85	-
Held by Adroit Innovations Investment Pte Ltd			
PT Rel-ion Sterilization Services [(c)] Indonesia	Sterilisation and polymerisation services	55.43	55.43
Held by Tria Holdings Pte. Ltd.			
Trackplus Sdn Bhd [(b)] Malaysia	Property development	65	65
Held by Asphere Holdings Pte. Ltd.			
Gemisuria Corporation Sdn Bhd [(e)] Malaysia	Property development	100	100
Held by G1 Investments Pte. Ltd.			
Waddells International Limited [(f)] Singapore/British Virgin Islands	Investment holding	100	100

(a) Audited by Moore Stephens LLP, Singapore.
(b) Audited by Moore Stephens Associates PLT, Malaysia, a member firm of Moore Stephens International Limited of which Moore Stephens LLP is also a member.
(c) Audited by Paul Hadiwinata, Hidajat, Arsono, Ade Fatma & Rekan, Indonesia.
(d) This subsidiary was struck off from the Register under Section 344 of the Singapore Companies Act, Cap. 50 on 6 May 2013.
(e) Audited by KBCF Tan, Malaysia.
(f) No audit requirement in the country of incorporation.

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19 Investments in Subsidiaries/Loans to Subsidiaries

b) Acquisition of subsidiaries

In July 2013, the Group acquired 100% equity interest in Powerlite Ventures Limited ("PVL") for a consideration of SGD$10,001,250 (including an assignment of shareholder's loans, of SGD$5,715.000). The consideration was settled by transferring of certain financial assets, at fair value through profit or loss of the Group's subsidiary.

The principal activity of PVL is that of an investment holding company denominated in US$.

The acquisition was initially accounted for as a business combination using the acquisition method. The fair values of the identifiable assets and liabilities of PVL as at the date of acquisition were:

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Assets		
Financial assets, available-for-sale	1,915	1,915
Liabilities		
Other payables	-	-
Total identifiable net assets at fair value	**1,915**	**1,915**
Consideration transferred	10,001	10,001
Less: Fair value of identifiable net assets acquired	(1,915)	(1,915)
Goodwill arising on acquisition	8,086	8,086

As noted above, the initial accounting for the acquisition of PVL was provisionally determined at acquisition date on the above basis (ie with goodwill arising on acquisition).

However, at the date of finalisation of the audited financial statements of Blumont for the year ended 31 December 2013 it was determined that the acquisition of PVL did not qualify to be treated as a business combination, given the nature of PVL as an investment holding company, and accordingly the entire consideration paid of SGD$10,001,250 was reclassified as financial assets - available for sale in the condensed consolidated statements of financial position.

In September 2013, the Company incorporated a subsidiary, Blumont Copper Pte. Ltd., for a cash consideration of US$100 or SGD$127 with other 5 investors. The principal activity of Blumont Copper Pte. Ltd. are those of investment holding and copper mining.

In October 2012, the Company's wholly-owned subsidiary, G1 Investments Pte. Ltd. acquired a shell company, Waddells International Limited, incorporated in the British Virgin Islands for a cash consideration of US$2 or SGD$2. The principal activities of Waddells International Limited are those of investment holding.

c) Acquisition of additional equity interest

In August 2012, the Company acquired the 43% equity interest in Venturistic Holdings Pte. Ltd. from the other shareholders for a cash consideration of S$3, hence increasing the Company's equity interest from 57% to 100%. The carrying amount of the net liabilities of Venturistic Holdings Pte. Ltd. on the date of the acquisition was SGD$568,730. Accordingly, the Group recognised an increase in non-controlling interests of SGD$174,173 and a decrease in the Group's retained earnings of SGD$174,176.

d) Strike-off of a subsidiary

In June 2012, the Company's wholly-owned subsidiary, Adroit Innovations Sdn Bhd, was struck off the Register. Accordingly, the Group has recognised a loss on disposal of the subsidiary amounted to SGD$7,080. There is no material effect of the disposal on the cash flows of the Group.

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20 Goodwill Arising on Consolidation

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Cost		
Balance at the beginning of the year	-	-
Amounts recognised from business combinations occurring during the year	-	-
Currency translation differences	-	-
Balance at the end of the year	-	-

21 Investment Properties

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Balance at beginning of the year	4,377	4,377
Currency translation differences	(134)	(134)
Additions	-	-
Disposals	(582)	(582)
Transfer to assets held for sale (Note 17)	(2,003)	(2,003)
Fair value gains recognised in profit or loss	-	-
Balance at end of the year	1,658	1,658

a) Investment properties are carried at fair value at the end of each reporting period as determined by reference to market evident of transaction prices of similar properties in the vicinity and independent professional valuers, which uses Direct Market Comparison Method.

b) In 2013, an investment property at Parcel No. 13A-7 (Type A) Clear Water Residence, Malaysia was disposed, for which the Group had entered into a sale and purchase agreement on 6 June 2013 with an external party. The sale was completed in August 2013 after all conditions precedent, pursuant to terms of the sales and purchase agreement, have been met by the parties concerned.

c) Details of the Group's investment properties are as follows:

Description and Location	Usage	Tenure, (unexpired terms)	Net Book Value 2013 S$'000	Net Book Value 2012 S$'000
1 condominium unit Malaysia B-37-01, 37th Floor, Block B Suasana Sentral Condominium, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur	Residential	Freehold	1,658	1,717
Nil (2012: 5) units of properties Malaysia 5-9, 5-11, 12-10, 13a-06 and 13a-07 Clear Water Residence, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur	Residential	Freehold	-	2,660
			1,658	4,377

21 Investment Properties (cont'd)

d) Investment properties are leased to non-related parties under operating leases.

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
The following amounts are recognised in profit or loss:		
Rental income from investment properties (Note 5)	24	24
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	36	36

22 Financial Assets, Available-for-Sale

Unquoted investments, at cost		
Balance at the beginning of the year	406	406
Acquisition through business combinations	10,001	10,001
Additions	20,577	26,426
Balance at the end of the year	30,984	36,833
Accumulated impairment		
Balance at the beginning and end of the year	(406)	(406)
Net carrying amount	30,578	36,427
Quoted equity investment, at cost		
Balance at the beginning of the year	-	-
Additions	30,224	30,134
Fair value losses recognised in other comprehensive income	1,662	1,662
Balance at the end of the year	31,886	31,796
Accumulated impairment		
Balance at beginning of the year	-	-
Impairment loss	(10,023)	(10,023)
Balance at end of the year	(10,023)	(10,023)
Net carrying amount	21,863	21,773
Total financial assets, available-for-sale	52,441	58,200

At the end of the reporting period, financial assets, available-for-sale with net carrying amount of SGD$21,863,564 were pledged as security for borrowings [Note 26(c)] of the Group.

On 6 February 2013, the Group entered into a Convertible Note Agreement with Celsius Coal Limited ("Celsius"), a company incorporated in Australia and listed on the Australian Stock Exchange, under which the Group shall make available to Celsius a facility for the sum of up to AUD$5,000,000 at an interest rate of 12.5% per annum. The Group has the right to convert in part or in full, within 10 years after the first drawdown date, of both principal amount and accrued interest into ordinary shares of Celsius at the conversion price pursuant to the terms of the Convertible Note Agreement. As at 31 December 2013, AUD$2,500,000 (equivalent to S$2,818,750) of the facility has been drawn down by Celsius.

On 28 August 2013, the Group entered into an Amendment to the Convertible Note Deed dated 22 May 2013 with Azarga Resources Limited ("Azarga"), a company incorporated in the British Virgin Islands, under which the Group shall make available to Azarga a facility for the sum of up to US$21,000,000 at an interest rate of 10% per annum. The Group has the right to convert in part or in full, within 10 years after the first drawdown date, of both the principal amount and accrued interest into ordinary shares of Azarga at the conversion price pursuant to the Convertible Note Deed. As at 31 December 2013, US$12,000,000 (equivalent to SGD$15,168,000) of the facility has been drawn down by Azarga.

On 7 October 2013, the Group entered into a convertible loan facility agreement with Cokal Limited ("Cokal"), a company incorporated in Australia and listed on the Australian Stock Exchange, under which the Group shall make available to Cokal a loan facility of the sum up to US$8,000,000 at an interest rate of 5% per annum. The loan facility is secured on, for every US$1,600,000 drawn down, a first ranking, fixed charge over Cokal's shareholdings in Cokal Holdings Pte. Ltd, equivalent to 1% of the total number of issued ordinary shares of Cokal Holdings Pte. Ltd. This loan facility includes a conversion option into ordinary shares of Cokal upon mutual agreement with Cokal and the Group. As at 31 December 2013, US$2,500,000 (equivalent to SGD$3,160,000) of the loan facility has been drawn down by Cokal.

The equity instrument portion of the convertible notes of SGD$532,570 are classified under derivative assets.

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23 Derivative Assets

Derivative assets pertains to equity instrument of convertible notes classified in financial assets, available for sale.

24 Property and Equipment

	Freehold land	Freehold building	Furniture and fittings	Office, computer and other equipment	Cobalt isotope	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
a) **Actual**							
2013							
Cost							
At 1 January 2013	1,084	786	14	1,163	1,750	876	5,673
Currency translation differences	(196)	(125)	-	(196)	(317)	(79)	(913)
Additions	-	9	-	93	-	128	230
Disposals/Write off	-	-	-	-	-	(102)	(102)
At 31 December 2013	888	670	14	1,060	1,433	824	4,888
Accumulated depreciation							
At 1 January 2013	-	309	13	828	965	231	2,346
Currency translation differences	-	(54)	-	(132)	(196)	(28)	(410)
Depreciation during the year	-	41	-	56	165	117	379
Disposals/Write off	-	-	-	-	-	(40)	(40)
At 31 December 2013	-	296	13	751	934	280	2,275
Net carrying amount							
At 31 December 2013	888	374	1	309	499	544	2,613

	Merlin Plant & Equipment	Freehold land	Freehold building	Furniture and fittings	Office, computer and other equipment	Cobalt isotope	Motor vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
b) **Pro-forma**								
2013								
Cost								
At 1 January 2013	8,241	1,084	786	14	1,163	1,750	876	13,914
Currency translation differences	-	(196)	(125)	-	(196)	(317)	(79)	(913)
Additions	3,901	-	9	-	93	-	128	4,131
Disposals/Write off	-	-	-	-	-	-	(102)	(102)
At 31 December 2013	12,142	888	670	14	1,060	1,433	824	17,030
Accumulated depreciation								
At 1 January 2013	6,116	-	309	13	828	965	231	8,462
Currency translation differences	-	-	(54)	-	(132)	(196)	(28)	(410)
Depreciation during the year	93	-	41	-	56	165	117	472
Disposals/Write off	-	-	-	-	-	-	(40)	(40)
At 31 December 2013	6,209	-	296	13	751	934	280	8,484
Net carrying amount								
At 31 December 2013	5,933	888	374	1	309	499	544	8,546

24 Property and Equipment (cont'd)

c) Included in the Group's additions of property and equipment during the current financial year were motor vehicles acquired under finance leases amounted to SGD$59,114.

The carrying amount of the Group's motor vehicles held under finance leases as at 31 December 2013 amounted to SGD$439,066.

25 Trade and Other Payables

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Current		
Trade payables		
- third parties (a)	-	-
Other payables	99	5,095
Accrued operating expenses	855	855
Amounts due to directors (b)	278	278
Trade & other payables - Merlin	-	9,726
Non-trade payable – third party (b)	5,000	570
Interest payables	157	157
	6,389	16,681

a) Trade payables from third parties are non-interest bearing and are settled on 30 to 60 days terms.

b) Amounts due to directors and non-trade payable – third party assignment are advances which are unsecured, interest-free and repayable on demand.

26 Borrowings

Current		
Share margin financing facility (a)	-	-
Finance lease liabilities (b), (Note 27)	74	74
Financing facility (c)	3,667	16,026
Merlin loan facility	-	72
	3,741	16,172
Non-current		
Finance lease liabilities (b), (Note 27)	208	208
Total borrowings	3,949	16,380

a) The share margin financing facility is secured by certain of the Group's financial assets, at fair value through profit or loss with a total carrying amount of SGD$774,320 (Note 13). Interest is charged on a floating rate basis of 1% above prime lending rate.

b) Finance lease liabilities of the Group are effectively secured over the leased motor vehicles [Note 24(c)], as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities. The weighted average effective interest rates of finance lease liabilities ranges from 2013: 3.66% - 7.76%.

c) On 24 December 2013, the Company entered into a financing facility agreement with Wintercrest Advisors LLC ("Wintercrest"), under which Wintercrest shall make available to the Company a financing facility of the sum up to US$30,000,000 at an interest rate of 10% per annum. The financing facility is secured by certain financial assets, available-for-sale of the Group (Note 22) and the financing facility shall be repaid in full by June 2014. As at 31 December 2013, US$4,500,000 (equivalent to SGD$5,688,000) of the financing facility has been drawndown by the Company, with a net proceeds of US$2,900,000 (equivalent to SGD$3,665,600) after deduction of drawndown and legal fees of US$1,600,000 (equivalent to SGD$2,022,400) to be amortised up to the financing facility maturity date.

26 Borrowings (cont'd)

a) Fair Value of Non-current Borrowings

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Finance lease Liabilities	201	201

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the date of the statement of financial position which management expects to be available to the Group as follows:

	2013 %
Finance lease liabilities	5.00 - 9.00

27 Finance Lease Liabilities (Secured)

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Not later than one year	86	86
Later than one year but not later than five years	206	206
Later than five years	17	17
	309	309
Less: Future finance charges	(27)	(27)
Present value of finance lease Liabilities	282	282
Included in the financial statements (see Note 26) as:		
Current borrowings	74	74
Non-current borrowings	208	208
	282	282

28 Employee Compensation

Present value of unfunded obligations	391	391
Movements in the present value of the defined benefit obligations during the financial year are as follows:		
Defined benefit obligations at beginning of the year	610	610
Benefits paid by the plan	(37)	(37)
Current service costs	37	37
Interest on obligations	31	31
Actuarial (gains)/losses recognised in other comprehensive income	(150)	(150)
Currency translation differences	(100)	(100)
Defined benefit obligations at end of the year	391	391
The amounts recognised in profit or loss during the financial year are as follows:		
Current service costs	37	37
Interest on obligations	31	31
Total, included in "Employee Benefits" (Note 7)	68	68

28 Employee Compensation (cont'd)

Acturial gains and losses recognised in other comprehensive income during the financial year are as follows:

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Amount accumulated in retained earnings at beginning of the year	159	159
Recognised during the period	(150)	(150)
Currency translation differences	(9)	(9)
Amount accumulated in retained earnings at end of the year	-	-

Principal actuarial assumptions at the end of the reporting period:

	Actual & Pro-forma 2013
Discount rate	9% (2012: 5.5%)
Future salary increases	10%
Disability rate	10%
Resignation rate	3% per annum up to age 25 years old, reducing linearly to 1% per annum at age 45 years old and thereafter
Normal retirement age	55 years old
Retirement rate	100% at normal retirement age

29 Deferred Income Taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position as follows:

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
To be settled after one year		
- Deferred tax assets	87	87
- Deferred tax liabilities	(28)	(28)
Net balance at the end of the year	59	59

The movements in the deferred tax assets and liabilities (on an aggregated basis) during the financial year are as follows:

Balance at beginning of the year, as previously reported	(9,953)	(9,953)
Effect of FRS 19	38	38
Balance at beginning of the year, as restated	(9,915)	(9,915)
Tax credited/(charged) to:		
- profit or loss (Note 10)	10,029	10,029
- other comprehensive income	(37)	(37)
	9,992	9,992
Currency translation differences	(18)	(18)
Balance at end of the year (net)	59	59

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of related tax benefits through future taxable profits is probable. The Group had the following unrecognised tax losses and capital allowances which can be carried forward and used to offset against future taxable income subject to meeting certain statutory tax requirements by those group entities with unrecognised tax losses and capital allowances in their respective countries of incorporation:

Capital allowances	58	58
Tax losses	31,523	115,583
	31,581	115,641

29 Deferred Income Taxes (cont'd)

Included in the pro-forma column above are unused tax losses of AUD$84,060,000 (potential tax benefit of AUD$29,218,000) attributable to Merlin which have not been recognised in the pro-forma statement of financial position. The availability of these tax losses are however subject to applicable tax legislation in Australia which could result in the potential benefit not being realised.

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Deferred Tax Assets:

	Provisions
	S$'000
Group	
2013	
Balance at beginning of the year, as restated	102
Currency translation differences	24
Tax (credited)/charged to:	
- profit or loss	7
- other comprehensive income	(46)
	(39)
Balance at end of the year	87

Deferred Tax Liabilities:

	Accelerated tax depreciation	Fair value gains of financial assets, at fair value through profit or loss	Fair value gains of investment properties	Total
	S$'000	S$'000	S$'000	S$'000
Group				
2013				
Balance at beginning of the year	50	9,988	29	10,067
Currency translation differences	(5)	-	(1)	(6)
Credited to profit or loss	(34)	(9,988)	-	(10,022)
Balance at end of the year	11	-	28	39

30 Share Capital

	Number of ordinary shares		Amount	
	Actual 31.12.2013	Pro-forma 31.12.2013	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000	S$'000	S$'000
Ordinary shares issued and fully paid:				
Balance at beginning of the year	1,692,505	1,692,505	55,509	55,509
Share issues	861,002	861,002	43,050	43,050
Issue of shares relating to acquisition of Merlin	-	1,021,598	-	61,500
Share issue expense	-	-	(222)	(222)
Share options exercised	29,500	29,500	706	706
Balance at end of the year	2,583,007	3,604,605	99,043	160,543

a) In October 2013, the Company allotted and issued 861,002,293 new ordinary shares (the "Rights Shares") at an issue price of SGD$0.05 for each Rights Share for cash SGD$42.67 million deriving net proceeds from the Rights Issue amounted to SGD$43,050,115. The newly issued ordinary shares rank pari passu in all respects with the previously issued shares

b) In July 2012, the Company allotted and issued 250,000,000 new ordinary shares at an issue price of SGD$0.0265 each in a private placement exercise for an aggregate consideration of SGD$6,625,000. The placement proceeds are to be used for the Group's working capital and fund future growth and business expansion. The newly issued ordinary shares rank pari passu in all respects with the previously issued shares.

Further in September 2012, the Group completed the acquisition of certain investment properties for a total purchase consideration of SGD$3,154,000, in which the Company allotted and issued 180,000,000 new ordinary shares amounted to SGD$2,700,000, being approximately 85.61% in part of the total purchase consideration of the said acquisition. The newly issued ordinary shares rank pari passu in all respects with the previously issued shares.

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30 Share Capital (cont'd)

Share Options

The share options scheme adopted on 16 May 2000 ("ESOS II") expired on 15 May 2010. On 22 April 2013, the Company adopted a new share options scheme ("Blumont ESOS 2013").

Blumont Group Ltd. Share Option Scheme II (the "ESOS II")

At an Extraordinary General Meeting held on 16 May 2000, the members of the Company approved the ESOS II. ESOS II continued in operation for a maximum duration of ten years with no further options to be granted under the ESOS II after 15 May 2010.

Under the ESOS II, the Committee may grant to executives of the Group and non-executive directors of the Company options to subscribe for unissued ordinary shares in the Company. Executive of the Group and non-executive directors of the Company who are controlling shareholders and associates of such controlling shareholders are not eligible to participate in the ESOS II.

The Committee may grant options at a price equivalent to the then prevailing market price of the shares or at a discount of up to twenty per cent of the market price. Where the options are granted at the then prevailing market price, the options may be exercised not earlier than the first anniversary of the date on which the option is offered. Where the options are granted at a discount to the then prevailing market price, the options may be exercised not earlier than the second anniversary of the date on which the option is offered.

Particulars of the ESOS II and the options granted in 2001 under the ESOS II (hereinafter called the "ESOS II Options 2001") were set out in the Directors' Report for the financial year ended 30 June 2001.

Particulars of the ESOS II and the options granted in 2002 under the ESOS II (hereinafter called the "ESOS II Options 2002") were set out in the Directors' Report for the financial year ended 30 June 2002.

The share options granted by the Committee pursuant to the ESOS II Options 2001 and 2002 to executives of the Group had been forfeited as the participants had left the Group before the options were vested.

Particulars of the ESOS II and the options granted in 2010 under the ESOS II (hereinafter called the "ESOS II Options 2010") were set out in the Directors' Report for the financial year ended 31 December 2010.

Under the ESOS II Options 2010, the options granted carry no rights to dividends and no voting rights. Options may be exercised of any time from the date of vesting to the date of their expiry. No amount is paid or payable by the participants on the receipt of the option.

Movements in the number of unissued ordinary shares under ESOS II Options 2010 and their exercise prices are as follows:

	← No. of ordinary shares under option →						
	Beginning of the year	Granted during financial year	Forfeited during financial year	Exercised during financial year	End of the year	Exercise price	Exercise period
Group and Company							
Employees	24,500,000	-	-	(24,500,000)	-	S$0.02	14 May 2011 to 13 May 2020
Non-executive directors	5,000,000	-	-	(5,000,000)	-	S$0.02	14 May 2011 to 13 May 2015

29,500,000 options granted in 2010 under the ESOS II Option 2010 had been exercised in the financial year ended 31 December 2013. The new ordinary shares allotted and issued rank *pari passu* in all respects with the then existing ordinary shares.

The fair value of options granted was measured based on the Black Scholes Pricing model. The inputs used in the measurement of the fair values at grant date of the ESOS II Options 2010 were as follows:

Date of grant	14 May 2010
Share price at grant date	S$0.02
Expected volatility	10%
Option life	5 to 10 years
Dividend yield	-
Risk-free interest rate	1.27% to 2.59%

30 Share Capital (cont'd)

Blumont Group Ltd. Share Option Scheme II (the "ESOS II") (cont'd)

The expected volatility is based on the movement of the underlying share price around its average share price over the expected term of the option.

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under ESOS II Options are as follows:

	Weighted average exercise price 2013	Number of options 2013	Weighted average exercise price 2012	Number of options 2012
Outstanding at beginning of the year	S$0.02	29,500,000	S$0.02	32,500,000
Forfeited during the year	-	-	S$0.02	(3,000,000)
Exercised during the year	S$0.02	(29,500,000)	-	-
Outstanding at end of the year	-	-	S$0.02	29,500,000
Exercisable at 31 December	-	-	S$0.02	29,500,000

At 31 December 2013, the exercise price of the options outstanding was S$0.02 and a weighted average contractual life of 5.50 years.

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

At an Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont ESOS 2013, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The Blumont ESOS 2013 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Mr Calvin Lim Huan Kim (Chairman) and Mr Goh Boon Kok.

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the Blumont ESOS 2013, options may be exercised after 1st anniversary of the date of grant and before the 5th anniversary of such date of grant for non-executive directors and the 10th anniversary of such date of grant for group employees.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

a) fixed at the Market Price ("Market Price Option") equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or

b) set at a discount to a Market Price ("Discount Option"), provided that the maximum discount shall not exceed twenty per cent. (20%) of the Market Price.

During the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted.

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Performance Share Plan

The Blumont Performance Share Plan ("Blumont PSP") was approved by the members of the Company at an Extraordinary General Meeting held on 22 April 2013, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

30 Share Capital (cont'd)

Performance Share Plan (cont'd)

The Blumont PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Mr Calvin Lim Huan Kim (Chairman) and Mr Goh Boon Kok.

The Blumont PSP shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

A participants' award under the Blumont PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Blumont PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the Blumont PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

Since the commencement of the Blumont PSP up to the end of the financial year, there were no share awards have been granted.

Capital Management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising share capital, reserves, retained earnings/(accumulated losses) and net debts, which includes borrowings net of cash and cash equivalents.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistently, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt ÷ adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less deferred tax liabilities and cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital reserves, and retained earnings/accumulated losses) and non-controlling interests other than amounts recognised in equity relating to cash flow hedges, and includes some forms of subordinated debt, if any.

There were no changes in the Group's approach to capital management during the current and previous financial years.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group's net debt-to-adjusted capital ratio at the end of the reporting date is as follows:

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Net debt	8,288	14,636
Total equity	76,910	128,565
	85,198	143,201
Debt-to-adjusted capital ratio	10%	10%

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31 Reserves

		Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
a)	Composition:		
	Share-based payment reserve	-	-
	Currency translation reserve	(2,494)	(2,494)
	Fair value reserve	1,662	1,662
		(832)	(832)
b)	Movements during the financial year are as follows:		
(i)	Share-based payment reserve		
	Balance at beginning of the year	116	116
	ESOS II Options 2010		
	- Share options forfeited	-	-
	- Share options exercised	(116)	(116)
	Balance at end of the year	-	-
(ii)	Currency translation reserve		
	Balance at beginning of the year	(1,705)	(1,705)
	Reclassification on disposal of a subsidiary	-	-
	Net currency translation differences of financial statements of foreign subsidiaries	(1,215)	(1,215)
		(1,215)	(1,215)
	Less: Non-controlling interests	426	426
	Balance at end of the year	(2,494)	(2,494)
(iii)	Fair value reserve		
	Balance at beginning of the year	-	-
	Net change in fair value of available-for-sale of financial assets	1,662	1,662
	Balance at end of the year	1,662	1,662

32 Commitments

a) Operating Lease Commitments - where the Group is a lessee

The Group leases an office and certain office equipment from non-related parties under non-cancellable operating leases. The operating lease expenses charged to profit or loss during the financial year is disclosed in Note 8.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the end of the reporting date but not recognised as liabilities in the financial statements, are analysed as follows:

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Not later than one year	97	445
Later than one year but not later than five years	-	547
	97	992

The leases entered into by the Group do not include any contingent rentals, renewal purchase option or any escalation clauses.

b) Undrawn Advance and Loan Commitments

Commitments not recognised at the end of the reporting date in the financial statements are as follows:

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Commitment - undrawn advances/loans (Note 22)	21,147	27,467

32 Commitments (cont'd)

c) Others

The Company has given an undertaking to continue to provide financial support to certain subsidiaries for the next twelve months from the date of authorisation of their financial statements.

d) Exploration, Expenditure Commitments

The expenditure commitments shown below are estimates only based on disclosures made in Merlin's 30 June 2013 annual report. It is not expected that they have materially changed between 30 June 2013 and the date of this report.

In order to maintain mining tenements, the Group, via Merlin, is committed to meet the prescribed conditions under which the tenements were granted. Minimum Mines Department annual expenditure commitments on tenements held are as follows:

	Actual 2013 $'000	Pro-forma 2013 S$'000
Due within one year	-	1,525
Due later than one year and not later than five years	-	2,946
Due later than five years	-	1,183
	-	**5,654**

Pursuant to the Mineral Rights Deed with Top End Uranium Ltd (Merlin's equity accounted investee), SGD$657,666 of the committed expenditure is payable by Top End Uranium Ltd. The Group's net annual expenditure commitments on tenements held are as follows:

Due within one year	-	923
Due later than one year and not later than five years	-	2,889
Due later than five years	-	1,183
	-	**4,995**

Mining Capital Commitments

Merlin expects to recommence commercial production during the second quarter of calendar year 2014. In relation to this Merlin will need to incur capital expenditure, in addition to that noted above, which has been broadly estimated to not exceed AUD$10 million.

33 Financial Risk Management

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk arising in the normal course of the Group's business. The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Risk management is carried out by the Group's executive management.

a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rate and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group operates internationally and is subject to various currency exposures, primarily with respect to the Malaysian Ringgit (RM), United States Dollars (USD), Indonesian Rupiah (IDR) and Australian Dollars (AUD). Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's foreign operations in Malaysia and Indonesia are kept at a minimal level. The Group does not presently hedge this foreign exchange exposure.

33 Financial Risk Management (cont'd)

a) Market Risk (cont'd)

(i) Currency risk (cont'd)

Generally, recognised assets and liabilities are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily Singapore Dollar, but also IDR, RM, USD and AUD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The Group monitors exposure of foreign currency risk on an ongoing basis by reviewing the liquid assets and liabilities held in currencies other than the Singapore Dollar to ensure that the net exposure are within acceptable parameters.

The Group's currency exposure based on the information provided to key management is as follows:

	Indonesian Rupiah	Malaysian Ringgit	United States Dollars	Australian Dollars
	$'000	$'000	$'000	$'000
Actual				
Trade and other receivables	239	20	462	319
Cash and cash equivalents	1,684	208	54	-
Other financial assets	-	23	18,328	24,682
Trade and other payables	(37)	(249)	(65)	(144)
Other financial liabilities	(471)	(27)	(5,688)	-
	1,415	(25)	13,091	24,857
Pro-forma				
Trade and other receivables	239	20	462	5,444
Cash and cash equivalents	1,684	208	54	17,121
Other financial assets	-	23	22,828	26,546
Trade and other payables	(37)	(249)	(65)	(9,870)
Other financial liabilities	(471)	(27)	(15,546)	-
	1,415	(25)	7,733	39,241

A 1% strengthening of the Singapore Dollars against the following currencies at the end of the reporting date would increase/(decrease) (loss)/profit before income tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant and ignores any impact of forecasted sales and purchase.

	Actual & Pro-forma	
	Profit or loss	**Equity**
	S$'000	**S$'000**
31 December 2013		
Indonesian Rupiah	(14)	-
Malaysian Ringgit	-	-
United States Dollars	(131)	-
Australian Dollars	(40)	(219)

A 1% weakening of the Singapore Dollars against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Price risk

The Group is exposed to equity securities price risk from its investments held, which are classified on the statement of financial position as financial assets, at fair value through profit or loss or available-for-sale. These equity securities are mostly listed in Singapore, Malaysia, and Australia. The market value of these investments are affected, amongst others, by changes in market prices as a result of changes in global economic conditions, macro and micro economic factors affecting the relevant countries, where the investments are quoted, and factors specific to investee corporations. The fluctuations in market prices due to the above factors are unforeseen and the Group monitors these changes to respond to them as and when appropriate and necessary.

33 Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(ii) Price risk (cont'd)

A 1% increase in the underlying equity prices at the end of the reporting date with all other variables including the tax rate being held constant would increase profit or loss before income tax or equity in both years by the following amount:

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Equity	211	211
Profit or loss	184	184

A 1% decrease in the underlying equity prices would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risk arises primarily from non-current variable-rate borrowings, which had been fully repaid during the current financial year. As such interest rate sensitivity analysis is not being disclosed.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group, and arises principally from the Group's receivables from customers, bank deposits and investment securities.

The carrying amount of financial assets in the statement of financial position represents the Group and Company's respective maximum exposure to credit risk, before taking into account any collateral held.

For trade receivables, the Group has a credit policy in place and monitors credit evaluation and exposure to credit risk on an ongoing basis. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level.

(i) Trade and other receivables

The Group does not require any collateral in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables at the end of the reporting date by geographic region is as follows:

	Actual 31.12.2013	Pro-forma 31.12.2013
	S$'000	S$'000
Singapore	605	605
Malaysia	20	20
Indonesia	239	239
United States of America	462	462
Australia	319	5,444
	1,645	6,770

The trade and other receivables of the Group comprised 5 debtors that individually represent 59% of trade and other receivables. There is no concentration of customer risk at the Company level.

33 Financial Risk Management (cont'd)

b) Credit Risk (cont'd)

(i) Trade and other receivables (cont'd)

The aging of trade and other receivables that were past due but not impaired at the end of the reporting date is as follows:

	Actual 31.12.2013 S$'000	Pro-forma 31.12.2013 S$'000
Past due less than 2 months	174	174
Past due more than 2 months	-	-
	174	174

Management believes that the unimpaired amounts that are past due are still collectible, based on historical payment behaviour and analysis of customer credit risk, including underlying customers' credit rating, where applicable.

The Group establishes an allowance for impairment that represents of incurred losses in respect of trade and other receivables based on expected collectivity of all receivables. The movements in the allowance for impairment in respect of trade and other receivables based on individual impairments during the financial year are as follows:

At 1 January and 31 December 2012	3	3
Impairment loss recognised	2,837	2,837
Amounts written off	(3)	(3)
As 31 December 2013	2,837	2,837

Based on management's monitoring of customer credit risk, management believed that, apart from the above, no impairment allowance is necessary in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible, at that point, the amounts are considered irrecoverable and are written off against the financial assets directly.

(ii) Investments

The Group limits its exposure to credit risk on investments held by investing only in liquid marketable securities and with counterparties that have a good credit ratings. Management does not expect any counterparty to fail to meet its obligations, except for the impaired available-for-sale investments, which had been fully impaired (Note 22) in prior financial years.

The allowance account in respect of available-for-sale investments is used to record impairment losses unless the Group is satisfied that no recovery of the investment held is possible, at that point, the investments are considered irrecoverable and are written off against the financial assets directly.

(iii) Cash and cash equivalents

The Group held cash and cash equivalents of SGD$2,534,408 (pro-forma SGD$12,827,000) as at 31 December 2013, which represents their maximum credit exposure on these assets. The cash and cash equivalents are held with banks with good credit rating.

c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meets its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk by maintaining sufficient cash and marketable securities and the ability to close out market positions at a short notice. Where necessary, fund raising exercise will be considered through right issues and private placements.

33 Financial Risk Management (cont'd)

c) Liquidity Risk (cont'd)

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting date based on contractual undiscounted payments.

	Carrying amounts	Contractual amounts	< 1 year	1 – 5 years	> 5 years	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Actual						
2013						
Trade and other payables	6,389	6,389	6,389	-	-	6,389
Borrowings	3,949	6,285	6,061	206	17	6,285
	10,338	12,674	12,450	206	17	12,674
Pro-forma						
2013						
Trade and other payables	16,681	16,681	16,681	-	-	16,681
Borrowings	16,380	18,716	18,493	206	17	18,716
	33,061	35,397	35,174	206	17	33,376

(d) Fair Value Measurements

The Group categories fair value measurement using a fair values hierarchy that is dependent on the valuation inputs used as follows:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the financial assets and financial liabilities measured at fair value at the end of the reporting period by level of the fair value measurement hierarchy.

	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
Actual				
2013				
Financial assets at fair value through profit or loss				
- Trading securities	18,389	-	-	18,389
Financial assets, available-for-sale				
- Unquoted equities	-	-	30,578	30,578
- Quoted equities	21,863	-	-	21,863
Derivative financial assets	-	-	533	533
Pro-forma				
2013				
Financial assets at fair value through profit or loss				
- Trading securities	12,827	-	-	12,827
Financial assets, available-for-sale				
- Unquoted equities	-	-	36,427	36,427
- Quoted equities	24,061	-	-	24,061
Derivative financial assets	-	-	533	533

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the end of the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These financial instruments are included in Level 1.

As at the date of these financial statements, based on the prevailing quoted market prices, the Group's listed securities classified under financial assets, at fair value through profit or loss and quoted equity investments classified under financial assets, available-for-sale as at the statement of financial position date, are exposed to net fair value losses arising from changes in fair value amounting to approximately SGD$6,960,000 and SGD$4,127,000, respectively.

33 Financial Risk Management (cont'd)

(d) Fair Value Measurements (cont'd)

Included in Level 3 are unquoted equity investments that are carried at fair value which approximates the net book value of the investments.

Fair Value of the Group's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required)

(i) Non-derivative financial liabilities

The carrying amounts of borrowings approximate its fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar type of lending and borrowing arrangements.

(ii) Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

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34 Operating Segments

Management has determined four reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Company's Executive Directors review internal management reports on at least a quarterly basis. The Group's reportable segments are as follows:

- Investment holding - investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.
- Sterilisation - providing contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.
- Property - development of properties for sale, long-term holding of properties for rental and related income.
- Mineral and energy resources – exploration, exploitation, development and production of mineral and energy resources, and investments in mineral and energy resources projects, entities and companies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment (loss)/profit before income tax, as included in the internal reports that are reviewed by the Company's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

Information about reportable segments

ACTUAL	Investment holding S$'000	Sterilisation S$'000	Property S$'000	Mineral & Energy Resources S$'000	Total S$'000
Year ended 31 December 2013					
External revenues	-	2,550	1,054	-	3,604
Other losses	(64,235)	-	-	-	(64,235)
Interest income	83	26	-	542	651
Finance expense*	-	-	-	(157)	(157)
Depreciation	(56)	(291)	(32)	-	(379)
Reportable segment (loss)/profit before income tax	(68,144)	967	(319)	(13,711)	(81,207)
Other material non-cash items					
- write-back of allowance for foreseeable losses	-	-	144	-	144
- allowance for impairment on other receivables – third parties	-	-	-	(2,837)	(2,837)
- impairment losses on financial assets available-for-sale				(10,023)	(10,023)
- fair value losses on financial assets, at fair value through profit or loss	(64,090)	-	-	-	(64,090)
Other material items					
Capital expenditure					
- property and equipment	5	225	-	-	230
- investment properties	-	-	-	-	-
- goodwill arising on consolidation	-	-	-	-	-
Segment assets	16,712	4,346	9,680	56,934	87,672
Unallocated assets - deferred tax assets					88
Consolidated total assets					87,760
Segment liabilities	2,982	428	2,676	4,361	10,447
Unallocated liabilities:					
- borrowings*					282
- current income tax liabilities					93
- deferred tax liabilities					28
					40
Consolidated total liabilities					10,850

* The borrowings have not been disclosed by segment as this item is managed on a Group basis and are not provided to the Company's Executive Directors at the operating segment level.

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34 Operating Segments (cont'd)

Information about reportable segments (cont'd)

PRO-FORMA	Investment holding S$'000	Sterilisation S$'000	Property S$'000	Mineral & Energy Resources S$'000	Total S$'000
Year ended 31 December 2013					
External revenues	-	2,550	1,054	933	4,537
Other losses	(64,235)	-	-	-	(64,235)
Interest income	83	26	-	542	651
Finance expense*	-	-	-	(157)	(157)
Depreciation	(56)	(291)	(32)	(93)	(472)
Reportable segment (loss)/profit before income tax	(68,144)	967	(319)	(20,514)	(88,010)
Other material non-cash items					
- write-back of allowance for foreseeable losses	-	-	144	-	144
- allowance for impairment on other receivables – third parties	-	-	-	(2,837)	(2,837)
- impairment losses on financial assets available-for-sale				(10,023)	(10,023)
- fair value losses on financial assets, at fair value through profit or loss	(64,090)	-	-	-	(64,090)
Other material items					
Capital expenditure					
- property and equipment	5	225	-	-	230
- investment properties	-	-	-	-	-
- goodwill arising on consolidation	-	-	-	-	-
Segment assets	15,442	4,346	9,680	134,012	163,480
Unallocated assets - deferred tax assets					87
Consolidated total assets					163,567
Segment liabilities	2,982	428	2,676	28,513	34,599
Unallocated liabilities:					
- borrowings*					282
- current income tax liabilities					93
- deferred tax liabilities					28
					403
Consolidated total liabilities					35,002

* The borrowings have not been disclosed by segment as this item is managed on a Group basis and are not provided to the Company's Executive Directors at the operating segment level.

Geographical segments

The Group's four business segments operate in four main geographical areas - Singapore (country of domicile), Malaysia, Indonesia and other areas. The other areas include countries of domicile in Canada, Australia, the United States of America and British Virgin Islands, where the actual assets are located in various countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

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34 Operating Segments (cont'd)

Geographical information

	External revenues		Non-current assets*	
	Actual	Pro-forma	Actual	Pro-forma
	S$'000	S$'000	S$'000	S$'000
2013				
Singapore	-	-	28,124	28,124
Malaysia	44	44	1,763	1,763
Indonesia	2,551	2,551	2,229	2,229
Others	1,010	1,942	25,131	83,536
	3,605	4,537	57,247	115,652

* Non-current assets exclude deferred tax assets and goodwill arising on consolidation.

Information about major customers

Included in revenue arising from sterilisation services of S$2.55 million are revenues of approximately S$0.54 million which arose from sales to the Group's two largest customers.

35 New or Revised Accounting Standards and Interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2014 or later periods and which the Group has not early adopted.

Description	Effective for annual periods beginning on or after
FRS 27 (Revised) *Separate Financial Statements*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 36 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27 *Investments Entities*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014

The management expect that the adoption of the new standards above will have no material impact on the financial statements in the period of initial application.

36 Non-Cash Transactions

a) In 2013, the Group had acquired 100% equity interest in Powerlite Ventures Limited for US$7,875,000 (including the assignment of loans provided by the vendor to Powerlite Ventures Limited of US$4,500,000). The purchase consideration was satisfied by the disposal of the certain Singapore quoted equities which amounted to SGD$10,001,250.

37 Proposed Acquisition

On 16 September 2013, the Company entered into a conditional share subscription agreement with Resource Generation Limited ("RES"), a company incorporation in Australia with a dual-listing on the Australian Securities Exchange and the Johannesburg Stock Exchange, to subscribe for new shares up to 15% of the enlarged share capital of Resource Generation Limited at a subscription price of AUD$0.22 per share. On 18 December 2013, the Company has entered into a deed of settlement to amend the terms of the Share Subscription Agreement, under which the completion date has been extended to 26 February 2014. On 25 February 2014 the Company notified RES that it had elected not to proceed with the subscription and the share subscription agreement will be deemed terminated on 26 February 2014.

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38 Contingent liabilities

Prospect Resources Limited ("PSC")
On 11 July 2013, the Company together with Alexander Molyneux and Pacific Advisers Pte Ltd (collectively, the "Consortium"), through a company to be incorporated, entered into a conditional subscription agreement with Prospect Resources Limited ("PSC").

On 31 October 2013 the Consortium issued a notice to PSC to terminate the subscription agreement with immediate effect as certain conditions had not been satisfied or waived by the Consortium.

As announced by Blumont to SGX-ST on 13 December 2013, Blumont is a defendant to proceedings brought by PSC in the Supreme Court of New South Wales against the Consortium relating to the termination of the Subscription Agreement.

Also as announced on 1 November 2013 the Company maintains that the Termination Notice issued by the Consortium in relation to the Subscription Agreement remains valid and intends to vigorously defend its position in the Proceedings.

Merlin Diamond Mine Acquisition
Pursuant to the Sale and Purchase Agreement entered into with Ashton Mining Limited for the Merlin Diamond Mine Lease, the following contingent milestone payments exist: AUD$2,000,000 on the commissioning of a mine (this was paid in 2013); AUD$200,000 on completing the first bulk sample of kimberlite from a new kimberlite pipe of at least 200 tonnes; and AUD$100,000 for each subsequent and discrete bulk sample of kimberlite of at least 200 tonnes from additional kimberlite pipes, where the diamond grade of the kimberlite bulk sample is in excess of 10 carats per 100 tonnes.

In March 2010, Legend International Holdings Inc. acquired from Ashton Mining Limited the right to be paid the milestone payments. The milestone payments are secured by a mortgage over the Merlin Diamond Mine tenement.

39 Subsequent Events

a) On 21 December 2012, the Company entered into a conditional sale and purchase agreement to acquire the entire issued share capital of 2,500,000 ordinary shares of Hudson Minerals Holdings Pte. Ltd., a company incorporated in Singapore, for an aggregate purchase consideration of up to SGD$48,000,000 (including an assignment of debt of such amount of the Hudson shareholders' loans by its shareholders to Hudson on completion). The purchase consideration comprises cash consideration of SGD$8,000,000 and the balance of SGD$40,000,000 shall be satisfied by the allotment and issue of an aggregate up to 194,836,000 new ordinary shares of the Company, subject the production of Iron Ore Products.

   On 8 January 2014, the Company entered into a termination agreement with the vendors to terminate the sales and purchase agreement.

b) 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 was originally 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. The Company has recently lodged and issued a supplementary bidder's statement to the shareholders of GES, whereby it increased the offer consideration to 9.5 Blumont shares for every 2 GES shares, up to a maximum of approximately 913,343,965 new shares. Further information is set out at Note 38 (e) below.

c) 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 AUD$0.075 per MED share for a total subscription price of AUD$1,950,000 (SGD$2,198,000). 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.

   On 28 February 2014, MED allotted 13,333,333 shares to the Company and with an outstanding 12,666,667 shares to be allotted to the Company on completion.

d) As set out in Note 22 the Group has entered into a Convertible Note Deed whereby it has made available to Azarga a facility for the sum of up to US$21.0 million (approximately SGD$27.7 million). PVL (a wholly owned subsidiary of

39 Subsequent Events (cont'd)

the Company) and Azarga have entered into an amendment to the Deed dated 27 February 2014 to increase the Azarga Facility by US$5.0 million (the "Additional US$5.0 million) to US$26.0 million (approximately SGD$33.0 million). Each draw down by Azarga under the Azarga Facility shall be for an amount to be mutually agreed between PVL and Azarga. Azarga may draw down on the Additional US$5.0 million under the Azarga Facility in 2015 subject to PVL and Azarga mutually agreeing on a draw-down schedule before the end of 2014. The Azarga Facility Loans will also be correspondingly increased to US$26.0 million (Approximately SGD$33.0 million). All other provisions of the Deed remain unchanged and in force.

As at the date of this announcement, Azarga has drawn down US$15.0 million of the Azarga Facility and the Company has provided US$15.0 million of the Azarga Facility Loans.

e) Proposed Acquisition of 100% of Genesis Resources Limited ("Genesis")

On 24 January 2014 Blumont announced that it had entered into an Implementation Deed Agreement to make an off-market takeover bid for all the issued shares of Genesis that are not owned by Blumont.

The proposed acquisition by Blumont of all the issued shares in Genesis was originally to be satisfied by the issue of up to 509,549,791 Blumont shares at approximately SGD$0.0719 per share (based on Blumont's volume weighted average share price on 24 January 2014). On this basis the consideration was valued at approximately SGD$36.6 million. The recently revised offer of 9.5 Blumont shares for every 2 GES shares values the revised offer consideration at SGD$31.1 million, based on Blumont's closing share price and the SGD:AUD exchange rate as at 17 April 2014.

Details of the proposed acquisition of Genesis (based on Genesis' 31 December 2013 consolidated statement of financial position, adjusted for post 31 December 2013 share placements), provisionally measured, for illustrative purposes are;

	S$'000
Purchase consideration	31,054
Assets and liabilities held at acquisition date, at book values;	
Cash	4,892
Other current assets	2
Trade & other receivables	75
Property, plant and equipment	260
Mining interests – exploration & evaluation	14,445
Other financial assets	89
Other non-current assets	1
Trade & other payables	(3,456)
Provisions	(13)
Borrowings	(3,383)
	12,912
Premium on acquisition (not yet allocated)	18,142
	31,054

The proposed acquisition of Genesis is not reflected in the pro-forma statement of financial position of Blumont as at 31 December 2013 as the takeover bid is subject to a number of conditions and has not been completed.

f) Movements in Values of Financial Assets

Financial Assets, at fair value through profit or loss (Note 13) and Financial Assets, available for sale (Note 22) can fluctuate in value, either up or down, over relatively short periods of time. Between 31 December 2013 and the date of this report the values of these assets has changed as follows;

- Financial Assets, at fair value through profit or loss – decreased by approximately SGD$6.96 million.
- Financial Assets, available for sale – decreased by approximately SGD$4.13 million.

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39 Subsequent Events (Cont'd)

g) On 2 April 2014, the Company announced that G1 Investments Pte Ltd, a wholly owned subsidiary of the Company, has received a notice dated 2 April 2014 from the Commercial Affairs Department of the Singapore Police Force (the "CAD") requiring the subsidiary's assistance with the CAD's investigations into an offence under the Securities and Futures Act, Chapter 289 (the "SFA"). The CAD has requested for access to the following for the period from 1 January 2011 to date:

i) All records pertaining to securities trading;
ii) All records in relation to accounts held with financial institutions;
iii) All corporate electronic data, information technology equipment and data storage devices belonging to Mr. Neo Kim Hock, the Executive Chairman of the Board and Mr. James Hong Gee Ho ("Mr. Hong"), Executive Director of the Company; and
iv) Any other relevant documents.

Further, the Company has been informed that Mr. Hong has been requested to assist the CAD in its investigations into a possible infringement under the SFA. Mr. Hong has indicated that he will fully cooperate with the CAD in its investigations.

The Board of Directors of the Company is of the opinion that the business and operations of the Group are not affected by the above investigations and the Company will continue to monitor the progress of the investigations.

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