

BLUMONT GROUP LTD.

(Company Registration No. 199302554G)

(Incorporated in the Republic of Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	GROUP S\$'000		% Increase/ (Decrease)
		1H2021	1H2020	
Revenue	5	1,783	2,115	(16)
Other gains – net	6	191	33	479
Expenses				
Raw materials and consumables used		(18)	(39)	(54)
Employee benefits	7	(833)	(879)	(5)
Others	8	(707)	(791)	(11)
Share of result of associate	20	(24)	-	(100)
Finance costs	9	(110)	(112)	(2)
Total expenses		(1,692)	(1,821)	
Profit before income tax		282	327	
Income tax expenses	10	(243)	(273)	(11)
PROFIT FOR THE PERIOD		39	54	
Other comprehensive (loss)/income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation (loss)/gain				
- (Loss)/gain on translating foreign operations		(269)	9	(3,089)
Other comprehensive (loss)/income for the period, net of tax		(269)	9	
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(230)	63	
Profit for the period attributable to:				
Owners of the Company		39	54	
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company		(230)	63	
Earnings per share (S\$ cents)				
- Basic		0.0001	0.0002	
- Diluted		0.0001	0.0002	

Condensed Interim Statements of Financial Position

		GROUP S\$'000		COMPANY S\$'000	
	Note	As at 30/06/2021	As at 31/12/2020	As at 30/06/2021	As at 31/12/2020
ASSETS					
Current assets					
Cash and bank balances		1,069	917	534	215
Other financial assets	12	120	120	120	120
Trade and other receivables	11	402	520	-	185
Other assets	13	73	45	24	17
Income tax receivable		174	163	-	-
		1,838	1,765	678	537
Non-current assets					
Investments in subsidiaries		-	-	104	104
Investment in associate	20	705	-	729	-
Loans to subsidiaries		-	-	10,324	10,733
Property and equipment	14	3,949	4,246	92	97
Other assets	13	-	200	-	200
Development property	15	4,498	4,579	-	-
Deferred tax assets		273	277	-	-
		9,425	9,302	11,249	11,134
Total assets		11,263	11,067	11,927	11,671
LIABILITIES					
Current liabilities					
Trade and other payables	16	1,601	1,555	2,958	2,646
Borrowings	17	941	500	500	-
Loan from a subsidiary		-	-	5,590	5,590
Lease liabilities		52	48	52	48
		2,594	2,103	9,100	8,284
Net current liabilities		(756)	(338)	(8,422)	(7,747)
Non-current liabilities					
Defined benefit plan		1,038	971	-	-
Borrowings	17	4,832	4,954	4,832	4,832
Lease liabilities		46	56	46	56
		5,916	5,981	4,878	4,888
Total liabilities		8,510	8,084	13,978	13,172
Net assets/(liabilities)		2,753	2,983	(2,051)	(1,501)
EQUITY					
Equity attributable to owners of the Company					
Share capital	18	127,339	127,339	127,339	127,339
Reserves	19	(4,364)	(4,095)	-	-
Accumulated losses		(120,222)	(120,261)	(129,390)	(128,840)
Total equity		2,753	2,983	(2,051)	(1,501)

Condensed Interim Consolidated Statement of Cash Flows

	1H2021	GROUP S\$'000	1H2020
Cash Flows from Operating Activities			
Profit before tax		282	327
Adjustments for:			
Unrealised foreign exchange (gain)/loss		(102)	39
Depreciation of property and equipment		310	331
Share of results of an associate		24	-
Interest expense		110	112
Interest income		(1)	(3)
Operating cash flows before working capital changes		623	806
Changes in working capital			
Receivables		(84)	40
Payables		70	(140)
Cash flows generated from operations		609	706
Tax paid		(257)	(351)
Net cash flows generated from operating activities		352	355
Cash Flows from Investing Activities			
Purchase of property and equipment		(83)	(76)
Interest received		1	3
Proceeds from disposal of asset held-for-sale		-	986
Investment in associate		(398)	-
Net cash flows (used in)/generated from investing activities		(480)	913
Cash Flows from Financing Activities			
Repayment of borrowings		(170)	(388)
Repayments for lease liabilities		(9)	(25)
Interest paid		(32)	(39)
Proceeds from borrowings		500	-
Net cash flows generated from/(used in) financing activities		289	(452)
Net increase in cash and cash equivalents		161	816
Cash and cash equivalents at the beginning of the period		917	945
Effect of changes in foreign exchange rates on cash and cash equivalents		(9)	(6)
Cash and cash equivalents at the end of the period		1,069	1,755

Condensed Interim Statements of Changes in Equity

Group

	Attributable to owners of the Company				Total S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	
1H2021					
Balance at 1 January 2021	127,339	(5,830)	1,735	(120,261)	2,983
Profit for the period	-	-	-	39	39
Other comprehensive loss, net of tax:					
Foreign currency translation loss	-	(269)	-	-	(269)
Total comprehensive (loss)/income for the period	-	(269)	-	39	(230)
Balance at 30 June 2021	127,339	(6,099)	1,735	(120,222)	2,753
1H2020					
Balance at 1 January 2020	127,339	(5,537)	1,735	(119,828)	3,709
Profit for the period	-	-	-	54	54
Other comprehensive income, net of tax:					
Foreign currency translation gain	-	9	-	-	9
Total comprehensive income for the period	-	9	-	54	63
Balance at 30 June 2020	127,339	(5,528)	1,735	(119,774)	3,772

Company

	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
1H2021			
Balance at 1 January 2021	127,339	(128,840)	(1,501)
Loss for the period	-	(550)	(550)
Total comprehensive loss for the period	-	(550)	(550)
Balance at 30 June 2021	127,339	(129,390)	(2,051)
1H2020			
Balance at 1 January 2020	127,339	(127,289)	50
Loss for the period	-	(784)	(784)
Total comprehensive loss for the period	-	(784)	(784)
Balance at 30 June 2020	127,339	(128,073)	(734)

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Blumont Group Ltd. (the "Company") is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six month ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are sterilisation and polymerisation services, hospitality and wellness and property development.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted by the Group are consistent with those used in its most recent audited financial statements, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars ("S\$"), which is the functional currency of the Company.

As at 30 June 2021, the Group and Company are in a net current liability position of S\$756,000 and S\$8,422,000 (which includes a loan from a 100% owned subsidiary of S\$5,590,000) respectively. This condition may cast significant doubt on the ability of the Group and Company to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business. Nevertheless, the directors of the Group and Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial period ended 30 June 2021 remains appropriate after taking into account the following factors:

- The Group expects the sterilisation business segment to continue generating positive operating cash flows in the next 12 months;
- The Group has implemented various cost containing measures to generate savings and conserve financial resources such as cost reductions.
- The Board and the management are currently exploring possible fundraising options to secure financing commitments to allow the Group to have access to additional working capital where required. In addition, the Board and the management are always looking out for potential corporate actions such as those relating to new business opportunities or monetising its assets to generate working capital for the Group. The Company will make the relevant announcements as and when it implements such plans.

It is noted that the cash and bank balance of the Group is approximately S\$1,069,000. Management has assessed the cash flow forecasts of the Group for the next 12 months and concluded that there will be sufficient cash flows and resources to allow the Group to continue its operations and meet its obligations for the foreseeable future. The Board has assessed the ability of the Group to meet its short-term obligations as and when it falls due and is also of the opinion that the Group will be able to raise the necessary funds for its working capital purposes when required.

2.1 New and Amended Standards Adopted by the Group

The adoption of various new/revised SFRS(I)s effective for the financial year beginning on 1 January 2021 does not have a material financial effect on the Group and the Company.

2.2 Use of Judgements and Estimates

In preparing the condensed interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Critical judgments in applying accounting policies

The application of judgments in the process of applying the Group's accounting policies that are expected to have a significant effect on the amounts recognised in the condensed interim financial statements are as follows:

(i) Impairment of investments in subsidiaries

Investments in subsidiaries (including loans to subsidiaries which are in substance part of the net investments in subsidiaries) are tested for impairment whenever there is any objective evidence or indication that these investments may be impaired. In determining whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance, financial position and the overall economic environment in which the subsidiaries operate.

(ii) Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(iii) 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.

(iv) Impairment of development property

The Group carries its development property at cost less any accumulated impairment losses. The Group obtains external, independent valuations for its property annually.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty as at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Defined Benefit Plan

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 an 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.

The Group obtains external, independent actuarial report annually. The actuarial gain/(loss) will be assessed during year end.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and Revenue Information

The Group is organised into four main business segments:

- 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.
- Hospitality and wellness – provision of hotel management and wellness services.

4.1 Reportable Segments

6 months ended 30 Jun 2021

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
Group					
External revenues	-	1,783	-	-	1,783
Segment results	(394)	1,192	-	(73)	725
Interest income	-*	1	-	-	1
Finance costs	(78)	(32)	-	-*	(110)
Depreciation	(24)	(286)	-	-	(310)
Share of loss of associate	-	-	(24)	-	(24)
Reportable segment (loss)/profit before income tax	(496)	875	(24)	(73)	282
Other material item					
Capital expenditure					
- property and equipment	-	83	-	-	83
Segment assets	1,477	4,921	-	4,592	10,990
Unallocated assets – deferred tax assets					273
Consolidated total assets					11,263
Segment liabilities	6,857	1,485	-	168	8,510
Consolidated total liabilities					8,510

*: < S\$1,000

4.1 Reportable Segments (con't)

6 months ended 30 Jun 2020

Group	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
External revenues	-	2,111	-	4	2,115
Segment results	(449)	1,275	-	(59)	767
Interest income	-*	3	-	-	3
Finance costs	(76)	(36)	-	-	(112)
Depreciation	(29)	(302)	-	-	(331)
Reportable segment (loss)/profit before income tax	(554)	940	-	(59)	327
Other material item					
Capital expenditure					
- property and equipment	-	76	-	-	76
Segment assets	776	5,825	-	5,269	11,870
Unallocated assets – deferred tax assets					402
Consolidated total assets					12,272
Segment liabilities	6,318	2,110	-	184	8,611
Unallocated liabilities - current income tax liabilities					(111)
Consolidated total liabilities					8,500

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.

4.2 Geographical information

	Group External Revenues 6 months ended 30 Jun 2021 S\$'000	Non-current assets^^ As at 30 Jun 2021 S\$'000
Singapore	-	797
Malaysia	-	4,498
Indonesia	1,783	3,857
	1,783	9,152
	6 months ended 30 June 2020 S\$'000	As at 30 Jun 2020 S\$'000
Singapore	-	121
Malaysia	4	-
Indonesia	2,111	4,517
	2,115	4,638

^^ : Non-current assets exclude deferred tax assets

5. Revenue

	Group	
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Revenue from sterilisation services	1,783	2,111
Rental income	-	4
	<u>1,783</u>	<u>2,115</u>

The Group derives revenue from the transfer of services at a point in time, when the Group satisfies a performance obligation and the customers obtain control of the services.

6. Other Gains - Net

	Group	
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Currency exchange gain/(loss) – net	163	(4)
Interest income	1	3
Loss on disposal of financial assets, available-for-sale	-*	-
Miscellaneous income	27	34
	<u>191</u>	<u>33</u>

*: < S\$1,000

7. Employee Benefits

	Group	
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Short-term employee benefits	742	789
Post-employment benefits	30	14
Other long-term employee benefits	61	76
	<u>833</u>	<u>879</u>
<i>Comprised:</i>		
Directors of the Company	114	155
Directors of the Group's subsidiaries	129	129

8. Other Expenses

	Group	
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	S\$'000	S\$'000
Audit fees:		
- auditor of the Company	28	44
- other auditors	11	8
Legal, professional and consultancy fees	32	34
Depreciation of property and equipment	310	331
Upkeep expenses	53	54
Directors' fees	50	50
Travelling expenses	4	16
Postage and telecommunication expenses	8	9
Printing and stationery expenses	14	33
Staff training and welfare expenses	31	30
Marketing and advertising	-	3
Provision for withholding tax expense	51	45
Sundry expenses	22	36
SGX expenses	18	22
Others	75	76
	<u>707</u>	<u>791</u>

Comprised of:
Directors of the Company

	<u>50</u>	<u>50</u>
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9. Finance Costs

	Group	
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	S\$'000	S\$'000
Interest expense		
- loans from bank	32	36
- loan from a shareholder	75	72
- lease liabilities	3	4
- others	-	- *
	<u>110</u>	<u>112</u>

*: < S\$1,000

10. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	S\$'000	S\$'000
Income tax expense comprised:		
Current income tax expense	243	293
Deferred income tax expense relating to origination and reversal of temporary differences	-*	(20)
	<u>243</u>	<u>273</u>

*: < S\$1,000

11. Trade and Other Receivables

	Group		Company	
	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Trade receivables				
- third parties (a)	293	225	-	-
Less: Loss allowance	-	(-)*	-	-
Trade receivables - net	293	225	-	-
Other receivables				
- third parties (b)	230	231	121	121
- related party (c)	-	185	-	185
Less: Loss allowance (b)	(121)	(121)	(121)	(121)
Other receivables - net	109	295	-	185
Total trade and other receivables	402	520	-	185

*: < S\$1,000

- (a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days (2020: 30 to 60 days).
- (b) As at 30 June 2021, the Group and the Company's other receivables - third parties include a receivable from a third party with a carrying amount of S\$121,701 and S\$121,701 respectively (2020: S\$121,701 and S\$121,701 respectively). The Group and the Company has impaired S\$121,701 and S\$121,701 respectively (2020: S\$121,701 and S\$121,701 respectively) based on management's assessment of the recoverable amount of the said receivable.
- (c) Other receivables from related party relates to reimbursement of expenses from shareholder.

12. Other Financial Assets

	Group		Company	
	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Equity investments measured at fair value through profit or loss				
Listed equity securities (a)	120	120	120	120

- (a) These equity investments measured at fair value through profit or loss ("FVPL") were designated at FVPL at inception by management.

13. Other Assets

	Group		Company	
	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Inventories	1	1	-	-
Deposits	11	211	9	209
Prepayments	61	33	15	8
Total other assets	73	245	24	217
Classified as:				
Current	73	45	24	17
Non-current	-	200	-	200
Total other assets	73	245	24	217

14. Property and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$83,000 (30 June 2020: S\$76,000) and disposed of assets amounting to S\$Nil (30 June 2020: S\$Nil)

15. Development property

	Group	
	As at 30 Jun 2021	As at 31 Dec 2020
	S\$'000	S\$'000
Opening balance	4,579	4,576
Currency exchange difference	(81)	3
Closing balance	4,498	4,579

The development property pertains to leasehold land in Malaysia. The management has not determined the plan for the leasehold land since the joint development activity lapsed.

The Group engages independent and qualified valuer at the of the year based on the Direct Market Comparison Method and was classified under Level 2 (31 December 2020: Level 2) of the fair value hierarchy.

The Group had obtained an independent valuation of the development property which has a valuation of RM28.0 million (\$9.3 million) as at 31 December 2020.

16. Trade and Other Payables

	Group		Company	
	As at 30 Jun 2021	As at 31 Dec 2020	As at 30 Jun 2021	As at 31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current</u>				
Other payables (a)	696	624	696	624
Amounts due to directors (b)	50	50	50	50
Deposit payable (d)	162	165	-	-
Interest payable (c)	540	465	2,081	1,751
Accrued operating expenses	153	251	131	221
Total trade and other payables	1,601	1,555	2,958	2,646

- (a) The Group's other payables include professional fees and general legal advice of S\$562,000 (31 December 2020: S\$621,000).
- (b) The amounts due to directors are unsecured, interest-free and repayable on demand in cash.
- (c) Interest payable relates to loan from a shareholder and loan from subsidiary.
- (d) The deposit received from a third party was in relation to a lapsed joint venture agreement, entered for joint development activity in prior year.

17. Borrowings

	Group		Company	
	As at 30 Jun 2021	As at 31 Dec 2020	As at 30 Jun 2021	As at 31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured - Loans from bank(a)	441	500	-	-
Unsecured - Loan from shareholder(b)	500	-	500	-
	941	500	500	-
<u>Amount repayable after one year</u>				
Secured - Loans from bank(a)	-	122	-	-
Unsecured - Loan from shareholder(b)	4,832	4,832	4,832	4,832
	4,832	4,954	4,832	4,832
Total borrowings	5,773	5,454	5,332	4,832

- (a) Loans from bank are secured over the Group's freehold land and building. The loans from bank bear an interest between 10% and 11% (31 December 2020: between 10% and 11%) per annum.
- (b) Loan from shareholder is unsecured and bears interest between 3% and 4% (31 December 2020: 3%) per annum. During the period ended 30 June 2021, the Company had obtained loan from its shareholder amounting to S\$500,000.

18. Share Capital

	Group and Company			
	<u>As at 30 June 2021</u>		<u>As at 31 Dec 2020</u>	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Beginning and end of interim period	27,570,762,183	127,339	27,570,762,183	127,339

The Company did not hold any treasury shares as at 30 June 2021 (31 December 2020: Nil).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

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

The Company announce that on 17 June 2021, the Company has made grants of options in respect of ordinary shares in the capital of the Company pursuant to the Company's Employee Share Option Scheme 2013 to various persons. Total number of shares under Options granted is 1,160,000,000, which 580,000,000 were granted as Market Price Options of S\$0.004 per ordinary share and 580,000,000 were granted as Discounted Options of S\$0.0032 per ordinary share. The grant and exercise of these Options under the Blumont ESOS 2013 are subjected to the acceptances of the various persons granted the Options under the Blumont ESOS 2013. The management will engage a Chartered Valuer to assist with the fair value of the share options at year end in accordance with SFRS(I) 2 *Share-based Payment*.

Blumont Performance Share Plan (the "Blumont PSP")

No incentive share awards under the Blumont PSP have been granted for the six months ended 30 June 2021. (31 Dec 2020: Nil).

19. Reserves

	Group		Company	
	<u>As at 30 Jun 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000	<u>As at 30 Jun 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
Composition:				
Currency translation reserve	(6,099)	(5,830)	-	-
Other reserves	1,735	1,735	-	-
	(4,364)	(4,095)	-	-

20. Investment in associate

	Group		Company	
	<u>As at 30 Jun 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000	<u>As at 30 Jun 2021</u> S\$'000	<u>As at 31 Dec 2020</u> S\$'000
Opening balance	-	-	-	-
Additional	729	-	729	-
Share of loss	(24)	-	-	-
Ending balance	705	-	729	-

On 1 April 2021, the Company completed the acquisition of 27% interest in Labrador Hill Pte Ltd, which manages a hotel and food and beverage operation. As at 31 December 2020, the Company has paid a deposit of S\$200,000 for the acquisition recognised as "Other assets". As at 30 June 2021, the Company has paid S\$398,000 and S\$131,000 remains outstanding recognised under "Trade and other payables".

21. Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

22. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2021 and 31 December 2020.

	Group		Company	
	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
<u>At amortised cost</u>				
Cash and bank balances	1,069	917	534	215
Trade and other receivables	402	520	-	185
Total	1,471	1,437	534	400
<u>Fair value through profit or loss</u>				
Other financial assets	120	120	120	120
Financial liabilities				
<u>At amortised cost</u>				
Trade and other payables	1,448	1,304	2,827	2,425
Borrowings	5,773	5,454	5,332	4,832
Loan from a subsidiary	-	-	5,590	5,590
Lease liabilities	98	104	98	104
Total	7,319	6,862	13,847	12,951

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

	Group		Company	
	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>	<u>As at 30 Jun 2021</u>	<u>As at 31 Dec 2020</u>
Net asset/(liability) value per ordinary share (in S\$ cents)	0.010	0.011	(0.0074)	(0.0054)

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Blumont Group Ltd. and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Performance of the Group

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

Revenue

Revenue decreased by S\$0.34 million to S\$1.78 million for 1H2021 (1H2020: S\$2.12 million), mainly due to the decrease in performance of the sterilisation segment of the Group during the reporting period due to the impact of COVID-19 was consistent with the severely affected financial performance of many industries worldwide as a result of COVID-19.

Other gains – net

Other gains increased by S\$0.16 million to S\$0.19 million for 1H2021 (1H2020: S\$0.03 million), mainly due to currency exchange gain.

Expenses

Raw materials and consumables used decreased by S\$21,000 to S\$18,000 in 1H2021 (1H2020: S\$39,000). The decrease in raw materials and consumables used were in line with the decrease in sterilisation segment revenue.

Other expenses decreased by S\$0.08 million to S\$0.71 million in 1H2021 (1H2020: S\$0.79 million), mainly due to decrease in audit fees, depreciation of property and equipment, travelling expenses and printing and stationery expenses.

Share of result of associate of S\$ 24,000 pertaining to share of loss of investment in associate, Labrador Hill Pte. Ltd.

Income Tax Expenses

Income tax expenses decreased by S\$0.03 million to S\$0.24 million in 1H2021 (1H2020: S\$0.27 million), mainly due to decrease in revenue in line with lower income tax charge. The Group will review and assess the annual income tax expenses at year end.

Other Comprehensive Income

Foreign currency translation loss on translating foreign operations of S\$0.27 million for 1H2021 (1H2020: Foreign currency translation income on translating foreign operations of S\$9,000) relates to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency in accordance with SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rate*.

Commentary on the Condensed Interim Statement of Financial Position

Cash and bank balances increased by S\$0.15 million or 16% from S\$0.92 million as at 31 December 2020 to S\$1.07 million as at 30 June 2021, mainly due to additional shareholder loan of S\$0.50 million and reimbursement from shareholders of S\$0.19 million, offset by investment in associate of S\$0.40 million and repayment of bank loans of S\$0.17 million.

Trade and other receivables decreased by S\$0.12 million or 23% from S\$0.52 million as at 31 December 2020 to S\$0.40 million as at 30 June 2021 mainly due to reimbursement of expenses from shareholders received by the Company.

Other assets (current and non-current) decreased by S\$0.18 million or 72% from S\$0.25 million as at 31 December 2020 to S\$0.07 million as at 30 June 2021, mainly due to deposit of S\$0.20 million being adjusted to to "Investment in associate" upon completion of the acquisition of 27% of the issued and fully-paid shares in Labrador Hill Pte. Ltd. on 1 April 2021.

Investment in associate of S\$0.71 million as at 30 June 2021 pertains to total cost of investment in associate of S\$0.73 million and share of loss of associate of S\$0.02 million.

Trade and other payables increased by S\$0.05 million or 3% from S\$1.55 million as at 31 December 2020 to S\$1.60 million as at 30 June 2021, mainly due to increase of interest payable and balance payment in relation to the completion of the acquisition of 27% of the issued and fully-paid shares in Labrador Hill Pte. Ltd. on 1 April 2021.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

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

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Below are updates on the Group's operations:

Sterilisation

The decrease in performance of the sterilisation segment of the Group during the reporting period due to the impact of COVID-19 was consistent with the severely affected financial performance of many industries worldwide as a result of COVID-19. The sterilisation business has continued to perform reasonably in 2021 in spite of the uncertainties caused by the pandemic.

Hospitality and wellness

(a) Proposed acquisition of Samadhi Retreats Pte Ltd

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

On 16 October 2018, it was announced that the supplemental sale and purchase agreement was to amend, modify and supplement, *inter alia*, the principal terms of the sales and purchase agreement (SPA). The proposed acquisition shall be revised to the sum of S\$35 million. Samadhi Retreats (Private) Limited and Cheeva Na Tara Company Limited will not be included in the Samadhi Group acquisitions as they have yet to commence any businesses or operations.

The Proposed Acquisition constitutes a major transaction under Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited, and may change the profile of the Company as it represents a diversification of the scope of the existing business of the Group (the "Proposed Diversification"). Accordingly, the Proposed Acquisition is subject to the approval of the shareholders of the Company ("Shareholders").

The Company will convene an extraordinary general meeting ("EGM") to seek the approval of Shareholders for the Proposed Acquisition. The circular containing *inter alia*, further information on the Proposed Acquisition and the Proposed Diversification and enclosing the notice of EGM therewith, will be despatched by the Company to Shareholders in due course.

On 4 April 2019, the Company announced that the Conditions Precedent have not been fulfilled or waived by the extended long-stop date of 31 March 2019. The Company is currently in the midst of negotiations with the Vendors on the Proposed Acquisition but have yet to agree on any further extension of time for Completion.

The management is still in negotiations with the vendors on the proposed acquisition of Samadhi Retreats Pte Ltd. The Board will announce at the appropriate juncture as and when material and significant developments are achieved in relation to the proposed acquisition.

(b) Investment in Labrador Hill Pte. Ltd.

In November 2020, the Company signed a shares sales and purchase agreement with Eco-Luxe Pte. Ltd. ("Eco-Luxe") to purchase 51,000 shares, representing 51% of the entire issued and fully-paid equity capital of Labrador Hill Pte. Ltd. ("LHPL") for a purchase consideration of S\$1,377,000. The purchase is to be completed in two tranches, with the 1st tranche purchase shares of 23,000 shares expected to be completed by 30 March 2021 upon completion of conditions precedent and 2nd tranche purchase shares of 28,000 shares on 2nd tranche completion date, which is a date no later than 6 consecutive months after the completion of 1st tranche purchase. The Company has paid Eco-Luxe S\$200,000 of refundable deposit in financial year ended 2020. The Company is expected to pay S\$300,000 of refundable deposit as part of the conditions precedent, balance consideration of S\$121,000 by completion of 1st tranche purchase and S\$756,000 of 2nd tranche balance consideration on the 2nd tranche purchase completion date.

On 13 January 2021, the Company signed the Amendment to Share Sales and Purchase Agreement to amend the terms of deposit. Subsequently on 1 April 2021, the Company entered into 2nd Supplemental Letter to acquire 27% shares in LHPL, with an option to acquire the balance of 24% of the 51% shares in LHPL based on a price to be agreed upon by both parties and have a curation of 6 months from date of completion of purchase of 27% of LHPL. The transaction was completed on 1 April 2021. No announcement was made as the transaction is categorised as a non-disclosable transaction (i.e. relative figures computed on the based amount in accordance with the Chapter 10 paragraph 6 of the Mainboard Listing Rule.

LHPL operates the Villa Samadhi Hotel and Tamarind Hill in Singapore. As with all hospitality and wellness businesses, the COVID-19 has impacted the LHPL in their hotel, restaurant, function and wellness businesses. For the remaining financial year of 2021, the management assessed and foresee that the easing of restrictions and possible opening up of the international borders to certain low risk countries following the completion of vaccination program by various countries will turnaround the operation of LHPL.

(c) Proposed acquisition of 40.8% interest in Mendol Investments Pte Ltd

As announced on 3 August 2021, the Company entered into a Memorandum of Understanding (“MOU”) with Strategic Premium Pte Ltd and Luminous Global Inc (the “Vendors”) to acquire an aggregate of 40.8% of the issued and paid-up shares in Mendol Investments Pte Ltd (“Target”) from the vendor on 3 August 2021.

The MOU is intended to set out the basis for further discussion in respect of the Proposed Acquisition and is not intended to be legally binding between the parties, except for provisions relating to, *inter alia*, exclusivity, confidentiality and governing law. The MOU is subject to the parties entering into transaction agreements (“Transaction Agreements”) and further details will be announced in the event the Transaction Agreements are entered into by the parties. The Target is incorporated under the laws of Republic of Seychelles, and is the holding company of Mendol Alpha Pte. Ltd. and Mendol Beta Pte. Ltd., which are in turn holding companies of PT Mendol Estate. PT Mendol Estate is the legal owner of 100.0% of Natra Bintan, A Tribute Portfolio Resort (“Hotel”), which is in turn located on premises on the island of Bintan (Riau Province) in Indonesia. The Hotel comprises 100 luxury glamping tents and leisure and food and beverage facilities, that sits on a site measuring approximately 52,318 square metres of land.

The Proposed Acquisition is subject to various conditions precedent, including approval by the shareholders of the Company. The Company will, in compliance with applicable rules, make the relevant announcements at the appropriate time when there are material developments in respect of the Proposed Acquisition.

Overall business updates

As the situation evolves, the directors and management do not consider it practicable to provide a quantitative estimate of the potential impact of the COVID-19 outbreak on the Group’s subsequent financial statements. Notwithstanding this, the directors and management have assessed that the Group and Company will still be able to maintain sufficient liquidity at least for the next 12 months.

5. Dividend Information

(a) Current Financial Period Reported On.

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

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

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Board of Directors does not recommend any payment of dividends for the six months ended 30 June 2021.

6. General Mandate from Shareholders for Interested Party Transactions

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

7. Confirmation pursuant to Rule 705(5) of the listing manual.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the six months ended 30 June 2021 to be false or misleading.

On behalf of the Board of Directors

Alan Chin Yu
Executive Director

Ng Keok Chai
Lead Independent Director

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

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

**BY ORDER OF THE BOARD
Blumont Group Ltd.**

John Lee Yow Meng
Chief Financial Officer and Executive Director
12 August 2021