

Unaudited Results for The First Quarter And Three Months Ended 31 March 2017 Financial Statements and Dividend Announcement

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

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

	GROUP		% Increase/ (Decrease)
	1Q2017	1Q2016	
	S\$'000		
Revenue	869	899	(3)
Other gains – net	143	1,368	(90)
Expenses			
Raw materials and consumables used	(17)	(33)	(48)
Employee benefits	(428)	(461)	(7)
Others	(539)	(1,938)	(72)
Impairment loss on financial assets , available-for-sale	(2)	(5,617)	(100)
Finance costs	(1)	(1,196)	(100)
Total expenses	(987)	(9,245)	
Profit/(loss) before income tax	25	(6,978)	
Income tax	14	4	100
PROFIT/(LOSS) FOR THE PERIOD	39	(6,974)	
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation (loss)/gain	(234)	281	NM
Cumulative gain in fair value of financial assets, available-for-sale reclassified to profit or loss	-	(1,378)	NM
Other comprehensive loss for the period, net of tax	(234)	(1,097)	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(195)	(8,071)	
Profit/(loss) for the period attributable to:			
Owners of the Company	(51)	(7,152)	(99)
Non-controlling interests	90	178	(49)
	39	(6,974)	
Total comprehensive loss for the period attributable to:			
Owners of the Company	(230)	(8,315)	(97)
Non-controlling interests	35	244	(86)
	(195)	(8,071)	
Loss per share attributable to owners of the Company (expressed in cents)			
- Basic	(0.0002)	(0.1584)	(99)
- Diluted	(0.0002)	(0.1584)	(99)

NM: Not Meaningful

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

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

	GROUP		% Increase/ (Decrease)
	1Q2017	1Q2016	
Net loss on disposal of financial assets, at fair value through profit or loss	-	(158)	NM
Loss on conversion of debt instrument to equity, available-for-sale	-	(60)	NM
Net fair value gain/(loss) on financial assets, at fair value through profit or loss	107	(472)	NM
Gain on disposal of property and equipment	-	1	NM
Net currency exchange gain	14	1,971	(99)
Interest income	* -	73	NM
- Cokal Limited convertible loan	-	59	NM
- Bank balances	* -	14	NM
- Others	* -	* -	NM
Interest expense	(1)	(1,196)	(100)
- Wintercrest financing loans	-	(1,195)	NM
- Finance lease liabilities	(1)	(1)	NM
Allowance for impairment loss on other receivables - third parties	-	(43)	NM
Depreciation of property and equipment	(141)	(127)	11
Write-back of provision/(provision) for withholding tax expense	* -	(241)	NM

NM: Not Meaningful

*: < S\$1,000

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

	GROUP		% Increase/ (Decrease)
	1Q2017	1Q2016	
Income tax comprises:			
Current income tax	* (-)	(1)	NM
Deferred tax	14	5	64
	<u>14</u>	<u>4</u>	

NM: Not Meaningful

*: < S\$1,000

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

	GROUP			COMPANY		
	As at 31/03/2017	As at 31/12/2016	% Increase/ (Decrease)	As at 31/03/2017	As at 31/12/2016	% Increase/ (Decrease)
ASSETS						
Current assets						
Cash and bank balances	358	498	(28)	40	37	8
Financial assets, at fair value through profit or loss	240	133	80	-	-	NM
Trade and other receivables	579	673	(14)	6	6	NM
Other current assets	487	373	31	106	116	(9)
Development properties	4,553	4,651	(2)	-	-	NM
Assets held for sale	1,396	1,426	(2)	-	-	NM
	<u>7,613</u>	<u>7,754</u>		<u>152</u>	<u>159</u>	
Non-current assets						
Investments in subsidiaries	-	-	NM	250	250	NM
Investment in associate	-	-	NM	-	-	NM
Loans to subsidiaries	-	-	NM	8,124	^8,150	**
Financial assets, available-for-sale	30	32	(6)	30	32	(6)
Property and equipment	4,631	4,702	(2)	140	160	(13)
Deferred tax assets	247	237	4	-	-	NM
	<u>4,908</u>	<u>4,971</u>		<u>8,544</u>	<u>8,592</u>	
Total assets	<u>12,521</u>	<u>12,725</u>		<u>8,696</u>	<u>8,751</u>	

LIABILITIES**Current liabilities**

Trade and other payables	3,437	3,469	(1)	2,389	2,419	(1)
Borrowings	33	33	NM	33	33	NM
Loan from a subsidiary	-	-	NM	1,060	611	73
Current income tax liabilities	36	36	NM	-	-	NM
	3,506	3,538		3,482	3,063	
Net Current Assets/(Liabilities)	4,107	4,216		(3,330)	(2,904)	

Non-current liabilities

Trade and other payables	500	500	NM	-	-	NM
Employee compensation	830	799	4	-	-	NM
Borrowings	43	51	(16)	43	51	(16)
	1,373	1,350		43	51	
Total liabilities	4,879	4,888		3,525	3,114	
Net assets	7,642	7,837		5,171	5,637	

EQUITY**Equity attributable to owners of the Company**

Share capital	127,294	127,294	NM	127,294	127,294	NM
Reserves	(6,377)	(6,198)	3	-	-	NM
Accumulated losses	(116,050)	(115,999)	**	(122,123)	^(121,657)	**
	4,867	5,097		5,171	5,637	
Non-controlling interests	2,775	2,740	1	-	-	NM
Total equity	7,642	7,837		5,171	5,637	

NM: Not Meaningful

^: Adjusted and audited as at 31 December 2016

**< 1%

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

Amount repayable not later than one year				Amount repayable after one year			
As at 31/03/2017		As at 31/12/2016		As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
33	-	33	-	43	-	51	-

Details of any collateral

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

- (i) Finance lease liabilities of the Group are secured by the rights to the leased motor vehicles with net carrying amount of S\$0.10 million as at 31 March 2017 (31 December 2016: S\$0.12 million), which would revert to the lessors in the event of default by the Group.

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

	GROUP S\$'000	
	1Q2017	1Q2016
Cash Flows from Operating Activities		
Profit/(Loss) before income tax	25	(6,978)
Adjustments for:		
Unrealised foreign exchange gain	(26)	(1,245)
Depreciation of property and equipment	141	127
Interest expense	* 1	1,196
Interest income	* (-)	(73)
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(107)	472
Impairment loss on financial assets, available-for-sale	2	5,617
Loss on conversion of debt instrument to equity, available-for-sale	-	60
Gain on disposal of property and equipment	* -	(1)
(Write back of provision)/Provision for withholding tax expense	* (-)	241
Allowance for impairment loss of other receivables – third party	-	43
Operating cash flows before working capital changes	36	(541)
Changes in operating assets and liabilities		
Financial assets, at fair value through profit or loss	-	474
Receivables	(47)	(64)
Payables	41	407
Cash generated from operations	30	276
Income tax paid	* (-)	(1)
Net cash generated from operating activities	30	275

Cash Flows from Investing Activities		
Purchase of property and equipment	(156)	(203)
Interest received	* -	14
Proceeds from disposal of property and equipment	-	11
Net cash used in investing activities	(156)	(178)
Cash Flows from Financing Activities		
Repayment of finance lease liabilities	(8)	(8)
Payment of share issue expenses	(1)	(1)
Interest paid	-	(1)
Net cash used in from financing activities	(9)	(10)
Net (decrease)/increase in cash and cash equivalents	(135)	87
Cash and cash equivalents at the beginning of the period	498	2,019
Effect of changes in foreign exchange rates on cash and cash equivalents	(5)	3
Cash and cash equivalents at the end of the period	358	2,109

*: < S\$1,000

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

	GROUP	
	S\$'000	
	1Q2017	1Q2016
Cash at bank and on hand	358	850
Short-term bank deposits	-	1,262
	358	2,112
Less: Bank balances and deposits pledged	-	(3)
Cash and cash equivalents per consolidated statement of cash flows	358	2,109

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

Statement of Changes in Equity for the Group

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Other reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1Q2017								
Balance at 1 January 2017	127,294	-	(5,214)	(984)	(115,999)	5,097	2,740	7,837
(Loss)/Profit for the period	-	-	-	-	(51)	(51)	90	39
Other comprehensive (loss)/income, net of tax:								
Foreign currency translation loss	-	-	(179)	-	-	(179)	(55)	(234)
Total comprehensive (loss)/income for the period	-	-	(179)	-	(51)	(230)	35	(195)
Balance at 31 March 2017	127,294	-	(5,393)	(984)	(116,050)	4,867	2,775	7,642
1Q2016								
Balance at 1 January 2016	107,095	1,525	(4,916)	(1,484)	(120,389)	(18,169)	4,076	(14,093)
(Loss)/Profit for the period	-	-	-	-	(7,152)	(7,152)	178	(6,974)
Other comprehensive (loss)/profit, net of tax:								
Net change in fair value of financial assets, available-for-sale	-	(1,378)	-	-	-	(1,378)	-	(1,378)
Foreign currency translation gain	-	-	215	-	-	215	66	281
Total comprehensive (loss)/income for the period	-	(1,378)	215	-	(7,152)	(8,315)	244	(8,071)
Share issue expenses	(1)	-	-	-	-	(1)	-	(1)
Balance at 31 March 2016	107,094	147	(4,701)	(1,484)	(127,541)	(26,485)	4,320	(22,165)

Statement of Changes in Equity for the Company

	Share capital S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
1Q2017				
Balance at 1 January 2017	127,294	-	^(121,657)	5,637
Loss for the period	-	-	(466)	(466)
Total comprehensive loss for the period	-	-	(466)	(466)
Balance at 31 March 2017	127,294	-	(122,123)	5,171
1Q2016				
Balance at 1 January 2016	107,095	1,525	(128,718)	(20,098)
Loss for the period	-	-	(6,619)	(6,619)
Other comprehensive loss, net of tax:				
Net change in fair value of financial assets, available-for-sale	-	(1,378)	-	(1,378)
Total comprehensive loss for the period	-	(1,378)	(6,619)	(7,997)
Share issue expenses	(1)	-	-	(1)
Balance at 31 March 2016	107,094	147	(135,337)	(28,096)

^: Adjusted and audited as at 31 December 2016

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

Issued share capital

	No. of shares	Amount S\$
As at 31 March 2017	27,525,762,183	127,293,946
No. of shares		
As at 1 January 2017	27,525,762,183	
Issue ordinary shares	-	
As at 31 March 2017	27,525,762,183	

As at 31 March 2017, the Company did not hold any treasury shares (31 March 2016: Nil).

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

No share options under the Blumont ESOS 2013 have been granted for the first quarter and three months ended 31 March 2017 (31 March 2016: Nil).

Performance Share Plan ("Blumont PSP")

No incentive share awards under the Blumont PSP have been granted for the first quarter and three months ended 31 March 2017 (31 March 2016: Nil).

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

	As at 31/03/2017	As at 31/12/2016
Total number of issued ordinary shares	27,525,762,183	27,525,762,183

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those as disclosed under paragraph 5.

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

On 1 January 2017, the Group adopted the following new/revised/amended Financial Reporting Standards ("FRSs").

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

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

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

	GROUP	
	1Q2017	1Q2016
Loss per share for loss attributable to the owners of the Company		
(i) On the weighted average number of ordinary shares in-issue (in cents)	(0.0002)	(0.1584)
- Weighted average number of shares	27,525,762,183	4,514,224,998
(ii) On a fully diluted basis (in cents)	(0.0002)	(0.1584)
- Adjusted weighted average number of shares	27,525,762,183	4,514,224,998

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

	GROUP		COMPANY	
	As at 31/03/2017	As at 31/12/2016	As at 31/03/2017	As at 31/12/2016
Net assets value per ordinary share based on issued share capital at the end of the financial year (owners of the Company) (in cents)	0.03	0.03	0.02	0.02

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

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

Statement of Profit or Loss

The net other gains was S\$0.14 million for 1Q2017 (1Q2016: S\$1.37 million) mainly comprise of:

- (a) net currency exchange gain of S\$0.01 million for 1Q2017 (1Q2016: S\$1.97 million); and
 (b) net fair value gain on financial assets, at fair value through profit or loss of S\$0.11 million for 1Q2017 (1Q2016: net fair value loss of S\$0.47 million). The reported fair value (loss)/gain arose from the mark-to-market adjustment of the value of the quoted financial assets, at fair value through profit or loss generating the revaluation (loss)/gain based on market bid

prices on the securities held. The quoted financial assets, at fair value through profit or loss comprised of a portfolio of equity investments in companies listed in the Singapore Exchange.

Raw materials and consumables used decreased by S\$0.01 million or 48% from S\$0.03 million for 1Q2016 to S\$0.02 million for 1Q2017 was creditable to improvement of cost management.

Employee benefits decreased by S\$0.03 million or 7% from S\$0.46 million for 1Q2016 to S\$0.43 million for 1Q2017 was mainly attributed to the resignation of a senior management at the Company level.

Other expenses decreased by S\$1.40 million, from S\$1.94 million for 1Q2016 to S\$0.54 million for 1Q2017 was mainly due to decrease in:

(a) administration and professional fees in relation to loan from Wintercrest Advisors, LLC (“Wintercrest Loan”) by S\$1.20 million (1Q2017: Nil; 1Q2016: S\$1.20 million); and

(b) provision for withholding tax expenses by S\$0.24 million, (1Q2017: Nil; 1Q2016: S\$0.24 million).

Impairment loss on financial assets, available-for-sale of S\$3,000 for 1Q2017 (1Q2016: S\$5.62 million) was attributed to the repayment of Wintercrest Loan completed on 25 November 2016. The adjustment to impairment losses recognised was due to “significant” or “prolonged” decline in the fair value in 1Q2017 of the equity investments classified as financial assets, available-for-sale.

Finance cost decreased by S\$1.20 million, from S\$1.20 million in 1Q2016 to S\$1,000 in 1Q2017 was due to repayment of Wintercrest Loan completed on 25 November 2016.

Other Comprehensive Loss

Foreign currency translation loss on translating foreign operations of S\$0.23 million for 1Q2017 (1Q2016: Foreign currency translation gain of S\$0.28 million) relates to the translation of the results and the net assets of the Group’s foreign operations from their functional currencies to the Group’s presentation currency in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rate*.

The Group reclassified S\$1.38 million of net fair value gain of financial assets, available-for-sale to profit or loss for 1Q2016 as there were “significant” or “prolonged” decline in the fair value in 1Q2016 of the equity investments, classified as financial assets, available-for-sale. No such reclassification were made in 1Q2017.

Commentary on the Statement of Financial Position

Cash and bank balances decreased by S\$0.14 million or 28% from S\$0.50 million as at 31 December 2016 to S\$0.36 million as at 31 March 2017. The decrease was mainly due to purchase of property and equipment for sterilisation segment.

Financial assets, at fair value through profit or loss increased by S\$0.11 million or 80% from S\$0.13 million as at 31 December 2016 to S\$0.24 million as at 31 March 2017. The increase in financial assets, at fair value through profit or loss was mainly due to mark-to-market adjustment of quoted equity shares held with additional net gain of S\$0.11 million. Financial assets, at fair value through profit or loss were stated at their fair value based on their quoted bid prices at the end of each reporting period.

Trade and other receivables decreased by S\$0.09 million or 14% from S\$0.67 million as at 31 December 2016 to S\$0.58 million as at 31 March 2017 was mainly due to decrease by S\$0.08 million of trade receivables and S\$0.01 million of other receivables.

Other current assets increased by S\$0.12 million or 31% from S\$0.37 million as at 31 December 2016 to S\$0.49 million as at 31 March 2017 was mainly due to increase in prepayment of S\$0.12 million.

Financial assets, available-for-sale includes quoted equity investment listed on Australian Securities Exchange as at 31 March 2017. The decrease of S\$2,000 or 6% from S\$0.03 million as at 31 December 2016 to S\$0.03 million as at 31 March 2017 was mainly due to allowance of impairment for financial assets, available-for-sale recognised in the profit or loss. Financial assets, available-for-sale were stated at their fair value based on their quoted bid prices at the end of each reporting period.

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

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

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

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

The Group’s investment holding segment including quoted equity investment classified as the portfolio of quoted financial assets, available-for-sale, including the portfolio under the mineral and energy resources ties to the changes in the financial market and

global economy with uncertainty and volatility in the investment outlook. The mineral and energy resources segment is a highly risky business and requires time, effort, investment and development.

To-date, the following legal proceeding is still pending:

Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd (“Raintree”)

On 26 April 2016, the Company announced via SGXNET that Raintree, a wholly owned subsidiary of Blumont Group Ltd., had been notified that it had on 22 April 2016, been served with a writ of summons and state of claim filed in the high court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title to the property, an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation.

The Group is currently seeking legal advice and will, in consultation with its solicitors, take such necessary steps to defend the Legal Proceedings. The Group reserves all its rights on the matter. The Company will disclose any updates or further information on the legal proceedings when it is appropriate to do so.

11. Dividend

(a) Current Financial Period Reported On.

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

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

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

The Board of Directors does not recommend any payment of dividends for the first quarter and three months ended 31 March 2017.

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

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first quarter and three months ended 31 March 2017 to be false or misleading.

On behalf of the Board of Directors

Ng Kim Huatt
Director

Calvin Lim Huan Kim
Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officer under Rule 720(1) of the listing manual.

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

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

Not applicable.

PART II– VOLUNTARILY DISCLOSURE OF ADDITIONAL INFORMATION

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

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

	GROUP		COMPANY	
	2017 S\$000	2016 S\$000	2017 S\$000	2016 S\$000
Three months period ended 31 March				
Balance as at 1 January	133	1,074	-	2
Disposals	-	(474)	-	-
Write-off	* (-)	-	-	-
Fair value gain/(loss)	107	(472)	-	(1)
Balance as at 31 March	240	128	-	1
At fair value on initial recognition:				
Listed securities:				
Equity securities – Singapore	240	122	-	1
Equity securities – Malaysia	-	6	-	-
Total as at 31 March	240	128	-	1

*: < S\$1,000

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

The investees held in the mineral and energy resources segments of the Group as at 31 March 2017 includes Elysium Resources Limited classified as follows:

	GROUP		COMPANY	
	2017 S\$000	2016 S\$000	2017 S\$000	2016 S\$000
Quoted equity investments (a)	30	3,869	30	3,869
Cokal Convertible Loan (b)	-	-	-	-
Total Financial assets, available-for-sale	30	3,869	30	3,869
(a) Quoted equity investments				
<i>At fair value</i>				
Three months period ended 31 March				
Balance as at 1 January	32	10,849	32	10,849
Additions through conversion of debt owed by Elysium Resources Limited	-	15	-	15
Cumulative change in fair value of financial assets, available-for-sale reclassified to profit or loss	-	(1,378)	-	(1,378)
Allowance for impairment recognised during the period	(2)	(5,617)	(2)	(5,617)
Balance as at 31 March	30	3,869	30	3,869
(b) Cokal Convertible Loan				
Three months period ended 31 March				
Balance as at 1 January	-	4,806	-	4,806
Allowance for impairment recognised during the period	-	(4,806)	-	(4,806)
Balance as at 31 March	-	-	-	-
Total Financial assets, available-for-sale	30	3,869	30	3,869

22. Going concern assumption

The Board hereby confirms, to the best of its knowledge and opinion, that the Group can continue as a going concern.

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

- Cash inflow from sterilisation business.** The Group's sterilisation business is expected to generate approximately S\$1.1 million (RP10,224.8 million) of cash inflow to the Group in financial year 2017. The sterilisation business had generated positive cashflows to the Group.
- Cash inflow from sale of property.** The Group is currently pending to dispose one unit Clear Water Residence in Malaysia which is valued at approximately S\$0.3 million (RM0.9 million). The Group is expecting to realise the sale of Clear Water Residence in financial year 2017.

- (c) **Cash inflow from sale of Trackplus Land.** As announced on 4 December 2015, the Company's 65% indirectly-owned subsidiary, Trackplus Sdn Bhd ("**Trackplus**") entered into a joint venture agreement with Eminent Envisage Sdn Bhd ("**Developer**") on 4 December 2015 ("**JV Agreement**"), pursuant to which Trackplus and the Developer will enter into a joint venture to undertake residential and/or commercial development on a piece of leasehold land located in Selangor measuring approximately 7,863 square meters ("**JV Land**"). Trackplus is the registered and beneficial owner of the JV Land while the Developer will undertake residential and/or commercial development on the JV Land (the "**Project**") subject to all necessary approvals from relevant authorities. The Group is currently in the process of obtaining all the necessary approvals from the relevant authorities to develop the JV Land to generate income for the Group. A notable milestone was achieved when the Developer received the Developer Order for the Project on 10 January 2017. The leasehold land was valued at approximately S\$9.5 million (RM30.0 million) as at 9 March 2017 based on independent valuer's valuation report. The Group is considering to sell the Trackplus Land if required.
- (d) **Application for deferment and request for instalment repayment plan on withholding tax.** The Company has received two demand notes from the Inland Revenue Authority of Singapore ("**IRAS**") on 8 February 2017 to pay the outstanding withholding taxes of S\$1.1 million on interest expenses incurred on financing loan from Wintercrest Advisors LLC. A penalty of 5% amounting to S\$0.1 million has also been imposed to-date. The Company's tax agent had applied to IRAS on 29 December 2016 to defer and request for instalment repayment plan and was rejected. The Company subsequently appointed a legal advisor to submit a second application for the deferment and request of instalment repayment plan to IRAS on 7 March 2017, and IRAS was not able to accede with the request. Subsequently, Blumont's legal advisor had assist to make an appeal and is pending response from IRAS.
- (e) **Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd.** On 26 April 2016, Raintree Rock Sdn Bhd ("**Raintree**"), a wholly owned subsidiary of Blumont Group Ltd., had been notified that it had on 22 April 2016, been served with a writ of summons and state of claim filed in the high court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title of Suasana Sentral Kuala Lumpur condominium (the "**Property**"), an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation. The Group is currently seeking legal advice and will, in consultation with its solicitors, take such necessary steps to defend the Legal Proceedings. The Group reserves all its rights on the matter. The Company will disclose any updates or further information on the Legal Proceedings when it is appropriate to do so. Thereafter, the Group will dispose the Property upon settlement of the Legal Proceedings.

In addition to the above, the Company's management is constantly working on other fund raising initiatives, for which announcements will be made when appropriate.

BY ORDER OF THE BOARD
Blumont Group Ltd.

Ng Kim Huatt
Executive Director
26 April 2017