



**SOUTHERN ARCHIPELAGO LTD.**  
*(formerly known as Blumont Group Ltd.)*  
(Company Registration No. 199302554G)  
(Incorporated in the Republic of Singapore)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

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

	Note	GROUP					
		S\$'000		%	S\$'000		%
		2H2024	2H2023	Increase/ (Decrease)	FY2024	FY2023	Increase/ (Decrease)
Revenue	5	2,480	2,500	(1)	4,817	5,196	(7)
Other (losses)/gains – net	6	(52)	617	(108)	272	463	(41)
Interest income		2	25	(92)	12	52	(77)
<b>Expenses</b>							
Raw materials and consumables used		(42)	(30)	40	(76)	(71)	7
Employee benefits	7	(1,208)	(1,123)	8	(2,263)	(2,847)	(21)
Depreciation of property and equipment		(407)	(345)	18	(732)	(697)	5
Amortisation of intangible assets	15	(7)	-	100	(7)	-	100
Other expenses	8	(660)	(645)	2	(1,517)	(1,264)	20
Finance costs	9	(155)	(126)	23	(272)	(246)	11
<b>Total expenses</b>		<b>(2,479)</b>	<b>(2,269)</b>		<b>(4,867)</b>	<b>(5,125)</b>	
<b>(Loss)/Profit before income tax</b>		<b>(49)</b>	<b>873</b>		<b>234</b>	<b>586</b>	
Income tax expenses	10	(129)	(314)	(59)	(388)	(543)	(29)
<b>(LOSS)/PROFIT FOR THE PERIOD/YEAR</b>		<b>(178)</b>	<b>559</b>		<b>(154)</b>	<b>43</b>	
<b>Other comprehensive income/(loss)</b>							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Actuarial loss on defined benefit plans		(13)	(30)	(57)	(13)	(30)	(57)
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation							
- Gain/(Loss) on translating foreign operations		249	(849)	(129)	(183)	(381)	(52)
Other comprehensive income/(loss) for the period/year, net of tax		236	(879)		(196)	(411)	
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD/YEAR</b>		<b>58</b>	<b>(320)</b>		<b>(350)</b>	<b>(368)</b>	
<b>(Loss)/Profit for the period attributable to equity holders</b>		<b>(178)</b>	<b>559</b>		<b>(154)</b>	<b>43</b>	
<b>Total comprehensive income/(loss) for the period attributable to equity holders</b>		<b>58</b>	<b>(320)</b>		<b>(350)</b>	<b>(368)</b>	
(Loss)/Earning per share (S\$ cents)							
- Basic		(0.0006)	0.0020		(0.0006)	0.0002	
- Diluted		(0.0006)	0.0020		(0.0006)	0.0002	

**Condensed Interim Statements of Financial Position**

	Note	GROUP S\$'000		COMPANY S\$'000	
		As at 31/12/2024	As at 31/12/2023	As at 31/12/2024	As at 31/12/2023
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		414	3,080	118	375
Trade and other receivables	11	602	437	21	20
Other assets	12	94	152	31	33
Income tax receivable		182	-	-	-
		<b>1,292</b>	<b>3,669</b>	<b>170</b>	<b>428</b>
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	80	91
Investment in associate	13	-	-	-	-
Loans to subsidiaries		-	-	6,212	6,227
Property and equipment	14	9,197	4,946	125	197
Intangible assets	15	65	-	-	-
Deferred tax assets		288	272	-	-
		<b>9,550</b>	<b>5,218</b>	<b>6,417</b>	<b>6,515</b>
<b>Total assets</b>		<b>10,842</b>	<b>8,887</b>	<b>6,587</b>	<b>6,943</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	16	541	522	3,846	3,311
Borrowings	17	4,352	3,372	3,722	3,182
Loan from a subsidiary		-	-	5,590	5,590
Lease liabilities		88	80	88	80
Income tax payable		-	175	-	-
		<b>4,981</b>	<b>4,149</b>	<b>13,246</b>	<b>12,163</b>
<b>Net current liabilities</b>		<b>(3,689)</b>	<b>(480)</b>	<b>(13,076)</b>	<b>(11,735)</b>
<b>Non-current liabilities</b>					
Lease liabilities		33	109	33	109
Defined benefit plan		1,015	975	-	-
Borrowings	17	2,372	863	-	-
		<b>3,420</b>	<b>1,947</b>	<b>33</b>	<b>109</b>
<b>Total liabilities</b>		<b>8,401</b>	<b>6,096</b>	<b>13,279</b>	<b>12,272</b>
<b>Net assets/(liabilities)</b>		<b>2,441</b>	<b>2,791</b>	<b>(6,692)</b>	<b>(5,329)</b>
<b>EQUITY</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	18	127,339	127,339	127,339	127,339
Reserves	19	1,333	1,516	4,619	4,619
Accumulated losses		(126,231)	(126,064)	(138,650)	(137,287)
<b>Total equity</b>		<b>2,441</b>	<b>2,791</b>	<b>(6,692)</b>	<b>(5,329)</b>

**Condensed Interim Consolidated Statement of Cash Flows**

		<b>GROUP</b>	
		<b>S\$'000</b>	
	<b>2024</b>		<b>2023</b>
<b>Cash Flows from Operating Activities</b>			
Profit before tax		234	586
<b>Adjustments for:</b>			
Unrealised foreign exchange gain		(143)	(301)
Depreciation of property and equipment		732	697
Amortisation of intangible assets	15	7	-
Write-off of property and equipment	6	-*	1
Write-off of other payables	6	-	(37)
Gain on disposal of property and equipment	6	-	-*
Interest expense	9	272	246
Interest income		(12)	(52)
Share-based payment expense	7	-	530
<b>Operating cash flows before working capital changes</b>		<b>1,090</b>	<b>1,670</b>
Changes in working capital			
Receivables		(113)	17
Payables		11	(105)
<b>Cash flows generated from operations</b>		<b>988</b>	<b>1,582</b>
Tax paid		(760)	(516)
<b>Net cash generated from operating activities</b>		<b>228</b>	<b>1,066</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property and equipment	14	(5,047)	(1,334)
Acquisition of intangible assets	15	(66)	-
Proceeds from disposal of property and equipment		-	28
Interest received		12	52
<b>Net cash used in investing activities</b>		<b>(5,101)</b>	<b>(1,254)</b>
<b>Cash Flows from Financing Activities</b>			
Principal repayment of lease liabilities		(62)	(74)
Repayment of borrowings		(620)	(3,557)
Proceeds from borrowings		3,120	351
Interest paid		(228)	(764)
<b>Net cash generated from/(used in) financing activities</b>		<b>2,210</b>	<b>(4,044)</b>
Net decrease in cash and bank balances		(2,663)	(4,232)
Cash and bank balances at the beginning of the year		3,080	7,344
Effect of changes in foreign exchange rates on cash and bank balances		(3)	(32)
<b>Cash and bank balances at the end of the year</b>		<b>414</b>	<b>3,080</b>

\*: < S\$1,000

**Condensed Interim Statements of Changes in Equity**

**Group**

	Attributable to owners of the Company					Total S\$'000
	Share capital S\$'000	Share option reserve S\$'000	Currency translation reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	
<b>2024</b>						
Balance at 1 January 2024	127,339	4,619	(4,838)	1,735	(126,064)	2,791
Loss for the year	-	-	-	-	(154)	(154)
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(183)	-	-	(183)
Actuarial loss on defined benefit plan	-	-	-	-	(13)	(13)
<b>Total comprehensive loss for the year</b>	-	-	<b>(183)</b>	-	<b>(167)</b>	<b>(350)</b>
<b>Balance at 31 December 2024</b>	<b>127,339</b>	<b>4,619</b>	<b>(5,021)</b>	<b>1,735</b>	<b>(126,231)</b>	<b>2,441</b>
<b>2023</b>						
Balance at 1 January 2023	127,339	4,089	(4,457)	1,735	(126,077)	2,629
Profit for the year	-	-	-	-	43	43
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(381)	-	-	(381)
Actuarial loss on defined benefit plan	-	-	-	-	(30)	(30)
<b>Total comprehensive (loss)/income for the year</b>	-	-	<b>(381)</b>	-	<b>13</b>	<b>(368)</b>
Share based payment	-	530	-	-	-	530
<b>Balance at 31 December 2023</b>	<b>127,339</b>	<b>4,619</b>	<b>(4,838)</b>	<b>1,735</b>	<b>(126,064)</b>	<b>2,791</b>

**Company**

	Share capital	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>2024</b>				
Balance at 1 January 2024	127,339	4,619	(137,287)	(5,329)
Loss for the year	-	-	(1,363)	(1,363)
<b>Total comprehensive loss for the year</b>	-	-	<b>(1,363)</b>	<b>(1,363)</b>
<b>Balance at 31 December 2024</b>	<b>127,339</b>	<b>4,619</b>	<b>(138,650)</b>	<b>(6,692)</b>
<b>2023</b>				
Balance at 1 January 2023	127,339	4,089	(136,102)	(4,674)
Loss for the year	-	-	(1,185)	(1,185)
<b>Total comprehensive loss for the year</b>	-	-	<b>(1,185)</b>	<b>(1,185)</b>
Share based payment	-	530	-	530
<b>Balance at 31 December 2023</b>	<b>127,339</b>	<b>4,619</b>	<b>(137,287)</b>	<b>(5,329)</b>

## **SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate Information**

Southern Archipelago 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 and full year ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of investment holding. The principal activities of the Group are those relating to:

- (a) sterilisation and polymerisation services;
- (b) property development; and
- (c) hospitality and wellness.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months and full year ended 31 December 2024 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 interim financial statements for the period ended 30 June 2024.

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 31 December 2024, the Group and Company are in a net current liability position of S\$3,689,000 and S\$13,076,000 (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 31 December 2024 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; and
- The Board and the management are currently exploring possible fundraising options to secure financing commitments to allow the Company to have access to additional working capital where required, including but not limited to bank loans, additional shareholders’ loan, extension of shareholder’s loan and loan from subsidiaries and fund raising from its shareholders.

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 2024 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 2024.

## 2.2 Use of Judgements and Estimates (cont'd)

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 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) Impairment of investment in an associate

Investment in an associate is tested for impairment whenever there is any objective evidence or indication that the investment may be impaired. The recoverable amount of the investment in an associate is determined based on the higher of fair value less costs of disposal and value in use.

#### (iii) 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.

#### (iv) 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.

## 2.2 Use of Judgements and Estimates (con't)

### (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) is assessed during year end.

## 3. Seasonal operations

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

## 4. Segment and Revenue Information

The Group is organised into four 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

	Investment holding	Sterilisation	Hospitality and wellness	Property	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1 July 2024 to 31 December 2024</b>					
<b>External revenues</b>	-	2,480	-	-	2,480
Segment results	(649)	1,167	7	(7)	518
Interest income	-*	2	-	-	2
Finance costs	(80)	(75)	-	-	(155)
Depreciation and amortisation	(43)	(371)	-	-	(414)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(772)</b>	<b>723</b>	<b>7</b>	<b>(7)</b>	<b>(49)</b>
<b>Other material item</b>					
Capital expenditure					
- property and equipment	18	2,672	-	-	2,690
- intangible assets	-	66	-	-	66
	18	2,738	-	-	2,756
<b>Segment assets</b>	<b>382</b>	<b>10,165</b>	<b>-</b>	<b>7</b>	<b>10,554</b>
Unallocated assets – deferred tax assets					288
<b>Consolidated total assets</b>					<b>10,842</b>
<b>Segment liabilities</b>	<b>4,368</b>	<b>4,030</b>	<b>-</b>	<b>3</b>	<b>8,401</b>
<b>Consolidated total liabilities</b>					<b>8,401</b>
<b>1 July 2023 to 31 December 2023</b>					
<b>External revenues</b>	-	2,500	-	-	2,500
Segment results	(557)	1,919	(11)	(32)	1,319
Interest income	1	24	-	-	25
Finance costs	(81)	(45)	-	-	(126)
Depreciation	(43)	(302)	-	-	(345)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(680)</b>	<b>1,596</b>	<b>(11)</b>	<b>(32)</b>	<b>873</b>
<b>Other material item</b>					
Capital expenditure					
- property and equipment	-	1,159	-	-	1,159
<b>Segment assets</b>	<b>711</b>	<b>7,882</b>	<b>5</b>	<b>17</b>	<b>8,615</b>
Unallocated assets – deferred tax assets					272
<b>Consolidated total assets</b>					<b>8,887</b>
<b>Segment liabilities</b>	<b>3,874</b>	<b>2,038</b>	<b>5</b>	<b>4</b>	<b>5,921</b>
Unallocated liabilities - current income tax liabilities					175
<b>Consolidated total liabilities</b>					<b>6,096</b>

#### 4.1 Reportable Segments (con't)

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
<b>2024</b>					
<b>External revenues</b>	-	4,817	-	-	4,817
Segment results	(1,298)	2,540	-*	(9)	1,233
Interest income	-*	12	-	-	12
Finance costs	(159)	(113)	-	-	(272)
Depreciation and amortisation	(86)	(653)	-	-	(739)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(1,543)</b>	<b>1,786</b>	<b>-*</b>	<b>(9)</b>	<b>234</b>
<b>Other material item</b>					
Capital expenditure					
- property and equipment	19	5,028	-	-	5,047
- intangible assets	-	66	-	-	66
	19	5,094	-	-	5,113
<b>Segment assets</b>	<b>382</b>	<b>10,165</b>	<b>-</b>	<b>7</b>	<b>10,554</b>
Unallocated assets – deferred tax assets					288
<b>Consolidated total assets</b>					<b>10,842</b>
<b>Segment liabilities</b>	<b>4,368</b>	<b>4,030</b>	<b>-</b>	<b>3</b>	<b>8,401</b>
<b>Consolidated total liabilities</b>					<b>8,401</b>

\*: < S\$1,000

	Investment holding S\$'000	Sterilisation S\$'000	Hospitality and wellness S\$'000	Property S\$'000	Total S\$'000
<b>2023</b>					
<b>External revenues</b>	-	5,196	-	-	5,196
Segment results	(1,821)	3,132	(16)	182	1,477
Interest income	7	45	-	-	52
Finance costs	(155)	(91)	-	-	(246)
Depreciation	(85)	(612)	-	-	(697)
<b>Reportable segment (loss)/profit before income tax</b>	<b>(2,054)</b>	<b>2,474</b>	<b>(16)</b>	<b>182</b>	<b>586</b>
<b>Other material item</b>					
Capital expenditure					
- property and equipment	235	1,331	-	-	1,566
<b>Segment assets</b>	<b>711</b>	<b>7,882</b>	<b>5</b>	<b>17</b>	<b>8,615</b>
Unallocated assets – deferred tax assets					272
<b>Consolidated total assets</b>					<b>8,887</b>
<b>Segment liabilities</b>	<b>3,874</b>	<b>2,038</b>	<b>5</b>	<b>4</b>	<b>5,921</b>
Unallocated liabilities - current income tax liabilities					175
<b>Consolidated total liabilities</b>					<b>6,096</b>

## 4.2 Geographical information

### As at 31 December 2024

	External Revenues S\$'000	Non-current assets^^ S\$'000
Singapore	-	125
Indonesia	4,817	9,136
	<b>4,817</b>	<b>9,261</b>

### As at 31 December 2023

	External Revenues S\$'000	Non-current assets^^ S\$'000
Singapore	-	197
Indonesia	5,196	4,749
	<b>5,196</b>	<b>4,946</b>

^^ : Non-current assets exclude deferred tax assets

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.

## 5. Revenue

	Group			
	<u>6 months</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000
Revenue from sterilisation services	2,480	2,500	4,817	5,196

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 the services.

## 6. Other (losses)/gains – net

	Group			
	<u>6 months</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000
Currency exchange (loss)/gain– net	(98)	565	209	387
Gain on disposal of property and equipment	-	-	-	-*
Write-off of property and equipment	-*	-	-*	(1)
Write-off of other payables	-	37	-	37
Miscellaneous income	46	15	63	40
	<b>(52)</b>	<b>617</b>	<b>272</b>	<b>463</b>

\*: < S\$1,000

## 7. Employee benefits

	Group			
	<u>6 months ended</u> <u>31 Dec 2024</u> S\$'000	<u>6 months ended</u> <u>31 Dec 2023</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2024</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2023</u> S\$'000
Short-term employee benefits	1,012	957	1,975	2,048
Post-employment benefits	21	20	42	39
Other long-term employee benefits	175	146	246	230
Share-based payment expense	-	-	-	530
	<u>1,208</u>	<u>1,123</u>	<u>2,263</u>	<u>2,847</u>
<i>Comprised:</i>				
Directors of the Company	179	152	399	536
Director of the Group's subsidiaries	159	148	319	328

The share-based payment expense relates to the fair value recognised for employee services received during the year in return for share options granted.

## 8. Other expenses

	Group			
	<u>6 months ended</u> <u>31 Dec 2024</u> S\$'000	<u>6 months ended</u> <u>31 Dec 2023</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2024</u> S\$'000	<u>12 months ended</u> <u>31 Dec 2023</u> S\$'000
Audit fees:				
- auditor of the Company	49	53	96	93
- other auditors	4	5	8	10
Legal, professional and consultancy fees	35	107	110	165
Loss allowance on trade receivables	-	-	-	5
Upkeep expenses	137	124	194	229
Directors' fees	51	51	103	103
Travelling expenses	18	53	74	103
Postage and telecommunication expenses	11	7	18	15
Printing and stationery expenses	-*	3	16	10
Staff training and welfare expenses	7	36	72	76
Marketing and advertising	13	11	23	27
Provision for withholding tax expense	52	52	103	103
Sundry expenses	33	2	34	3
SGX expenses	17	17	35	35
Expenses incurred for disposal of cobalt waste	44	-	170	-
Others	189	124	461	287
	<u>660</u>	<u>645</u>	<u>1,517</u>	<u>1,264</u>

\*: < S\$1,000

9. Finance costs

	Group			
	<u>6 months</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000
	Interest expense			
- loans from banks	123	105	220	207
- loans from shareholders	28	16	44	30
- lease liabilities	4	5	8	9
	155	126	272	246

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</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2024</u> S\$'000	<u>12 months</u> <u>ended</u> <u>31 Dec 2023</u> S\$'000
	Income tax expense comprised:			
Current income tax expense	122	319	404	545
Deferred tax	(4)	(8)	(27)	(5)
	118	311	377	540
Underprovision in prior period/year				
Deferred tax	11	3	11	3
	129	314	388	543

11. Trade and other receivables

	Group		Company	
	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
Trade receivables				
- third parties (a)	440	278	-	-
Less: Loss allowance	-*	(5)	-	-
Trade receivables - net	440	273	-	-
Other receivables - third parties	162	164	21	20
Total trade and other receivables	602	437	21	20

\*: < 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 (2023: 30 to 60 days).

12. Other assets

	Group		Company	
	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
Deposits	26	26	24	24
Prepayments	68	126	7	9
Total other assets	94	152	31	33

13. Investment in associate

As at 31 December 2024, the Group and the Company has fully impaired its investment in an associate to profit or loss, the recoverable amount of which was determined to be S\$Nil on the basis that the associate is in a net total liability position as at 31 December 2024.

14. Property and equipment

During the six months ended 31 December 2024, the Group acquired assets amounting to S\$2,690,000 (31 December 2023: S\$1,159,000) and disposed of assets amounting to S\$94,000 (31 December 2023: S\$31,000).

During the year ended 31 December 2024, the Group acquired assets amounting to S\$5,047,000 (31 December 2023: S\$1,566,000 including right of use asset amounting to S\$232,000) and disposed of assets amounting to S\$94,000 (31 December 2023: S\$31,000).

15. Intangible assets

	<u>Software</u> S\$'000
<b>Group</b>	
<u>Cost</u>	
At 1 January 2024	-
Additions	66
Adjustment	6
Currency translation differences	-*
At 31 December 2024	<u>72</u>
<u>Accumulated amortisation</u>	
At 1 January 2024	-
Amortisation during the year	7
Adjustment	-*
Currency translation differences	-*
At 31 December 2024	<u>7</u>
<u>Net carrying amount</u>	
At 31 December 2024	<u>65</u>

\*: < S\$1,000

16. Trade and other payables

	Group		Company	
	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
<u>Current</u>				
Other payables	16	54	7	51
Deposit payable	-*	-*	-	-
Interest payable (a)	230	186	3,570	3,011
Accrued operating expenses	295	282	269	249
Total trade and other payables	<u>541</u>	<u>522</u>	<u>3,846</u>	<u>3,311</u>

\*: < S\$1,000

(a) Interest payable relates to loans from shareholders and loan from subsidiary.

17. Borrowings

	Group		Company	
	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured - Loans from banks (a)	630	190	-	-
Unsecured - Loans from banks (b)	1,500	1,800	1,500	1,800
Unsecured - Loans from shareholders (c)	2,222	1,382	2,222	1,382
	<u>4,352</u>	<u>3,372</u>	<u>3,722</u>	<u>3,182</u>
<u>Amount repayable after one year</u>				
Secured - Loans from banks (a)	2,372	863	-	-
Total borrowings	<u>6,724</u>	<u>4,235</u>	<u>3,722</u>	<u>3,182</u>

- (a) Loans from banks are secured over the Group's freehold land and building. The loans from banks bear an interest of 7.75% (2023: between 8.0% and 9.0%) per annum.
- (b) Loans from banks are unsecured and bears interest of 2.5% plus bank's Cost of Funds.
- (c) Loans from shareholders are unsecured. Two of these loans bear a fixed interest rate ranging from 2.00% to 4.50% (2023: 2%) per annum. The remaining loans carry a variable interest rate of 4.00% to 4.65% per annum, which is renewed and compounded weekly.

18. Share capital

	Group and Company			
	<u>As at 31 Dec 2024</u>		<u>As at 31 Dec 2023</u>	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Beginning and end of the year	<u>27,570,762,183</u>	<u>127,339</u>	<u>27,570,762,183</u>	<u>127,339</u>

During the six months ended 31 December 2024, there is no change in the Group and Company's share capital.

The Company did not hold any treasury shares as at 31 December 2024 (31 December 2023: Nil).

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

## 18. Share capital (con't)

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

The Company announced 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.

As at 31 December 2024, there were outstanding options for conversion into 1,160,000,000 (31 Dec 2023: 1,160,000,000) ordinary shares.

The Blumont ESOS 2013 had expired on 21 April 2023.

### Southern Archipelago Employee Share Option Scheme 2023 ("SAL ESOS 2023") and Performance Share Plan 2023 ("SAL PSP 2023")

No share options under the SAL ESOS 2023 and incentive share awards under the SAL PSP 2023 have been for the six months ended 31 December 2024 (31 Dec 2024: Nil).

## 19. Reserves

	Group		Company	
	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
Composition:				
Currency translation reserve	(5,021)	(4,838)	-	-
Other reserve	1,735	1,735	-	-
Share option reserve	4,619	4,619	4,619	4,619
	<u>1,333</u>	<u>1,516</u>	<u>4,619</u>	<u>4,619</u>

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire or are forfeited, the amount from the share option reserve is transferred to retained earnings.

## 20. Related Party Transactions

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

## 21 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 31 December 2024 and 31 December 2023.

	Group		Company	
	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
<b>Financial assets</b>				
<u>At amortised cost</u>				
Cash and bank balances	414	3,080	118	375
Trade and other receivables	602	437	21	20
Other assets	26	26	24	24
Loans to subsidiaries	-	-	6,212	6,227
<b>Total</b>	<b>1,042</b>	<b>3,543</b>	<b>6,375</b>	<b>6,646</b>

	Group		Company	
	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000	<u>As at 31 Dec 2024</u> S\$'000	<u>As at 31 Dec 2023</u> S\$'000
<b>Financial liabilities</b>				
<u>At amortised cost</u>				
Trade and other payables	541	522	3,846	3,311
Borrowings	6,724	4,235	3,722	3,182
Loan from a subsidiary	-	-	5,590	5,590
Lease liabilities	121	189	121	189
<b>Total</b>	<b>7,386</b>	<b>4,946</b>	<b>13,279</b>	<b>12,272</b>

## 22. Net Asset/(Liability) Value Per Ordinary Share

	Group		Company	
	<u>As at 31 Dec 2024</u>	<u>As at 31 Dec 2023</u>	<u>As at 31 Dec 2024</u>	<u>As at 31 Dec 2023</u>
Net asset/(liability) value per ordinary share (in cents)	0.0089	0.0101	(0.0242)	(0.0193)

## 23. Subsequent events

On 1 January 2025, the Company announced that Trackplus Sdn. Bhd. ("Trackplus"), a wholly-owned subsidiary of the Group, has resolved to commence a members' voluntary liquidation ("Liquidation") process and appointed Ms. Ong Li Hoon of KLM of Corporate Services (M) Sdn Bhd as the liquidator for purposes of the Liquidation.

Trackplus has been dormant since September 2022. The Company will update shareholders via SGXNET on any further development of the Liquidation process as and when appropriate.

## **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. Review**

The condensed consolidated statement of financial position Southern Archipelago Ltd. and its subsidiaries as at 31 December 2024 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*

##### Other Gains – Net

Other gains decreased by S\$0.19 million to S\$0.27 million for 2024 (2023: S\$0.46 million), mainly due to lower currency exchange gain recognised during the year.

##### Interest Income

Interest income decreased by S\$40,000 to S\$12,000 for 2024 (2023: S\$52,000) mainly due to lower bank balance held in interest earning bank accounts.

##### Expenses

Employee benefits expenses decreased by S\$0.59 million to S\$2.26 million in 2024 (2023: S\$2.85 million), mainly due to nil share-based payment expense recognised during the year.

Amortisation of intangible assets of S\$7,000 pertains to amortisation of new software purchased during the year.

Other expenses increased by S\$0.26 million to S\$1.52 million in 2024 (2023: S\$1.26 million), mainly due to fees and duty charges for the disposal of cobalt waste incurred during the year.

Finance costs increased by S\$0.02 million to S\$0.27 million in 2024 (2023: S\$0.25 million), mainly due to interest charged on bank loans taken up during the year.

##### Income Tax Expenses

Income tax expenses decreased by S\$0.15 million to S\$0.39 million in 2024 (2023: S\$0.54 million), mainly due to lower chargeable income for sterilisation business during the year.

##### Other Comprehensive Income

Actuarial loss on defined benefit plans of S\$0.01 million for 2024 (2023: S\$0.03 million) relates to the adjustments on remeasurement of net defined benefit liability of the Group based on actuarial report obtained at end of the reporting period.

Foreign currency translation loss on translating foreign operations of S\$0.18 million for 2024 (2023: S\$0.38 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 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 decreased by S\$2.67 million or 87% from S\$3.08 million as at 31 December 2023 to S\$0.41 million as at 31 December 2024, mainly due to payment made for new cobalt rods and ongoing construction for the expansion of the sterilisation business.

Trade and other receivables increased by S\$0.16 million or 36% from S\$0.44 million as at 31 December 2023 to S\$0.60 million as at 31 December 2024 mainly due to increase of trade receivables due from third parties.

Other assets decreased by S\$0.06 million or 40% from S\$0.15 million as at 31 December 2023 to S\$0.09 million as at 31 December 2024, mainly due to recognition of prepayment for new equipment by the sterilisation business under property and equipment.

Current income tax liabilities decreased by S\$0.36 million or 200% from income tax payable of S\$0.18 million as at 31 December 2023 to income tax receivable of S\$0.18 million as at 31 December 2024, mainly due to refundable VAT and over-estimated tax paid previously.

## 2. Review of Performance of the Group (cont'd)

### Commentary on the Condensed Interim Statement of Financial Position (cont'd)

Property and equipment increased by S\$4.25 million or 86% from S\$4.95 million as at 31 December 2023 to S\$9.20 million as at 31 December 2024, mainly due to purchase of new cobalt rods and construction in progress recognised for the expansion of sterilisation business.

Intangible assets of S\$0.06 million relate to software purchased by the sterilisation business.

Borrowings, including current and non-current, increased by S\$2.48 million or 58% from S\$4.24 million as at 31 December 2023 to S\$6.72 million as at 31 December 2024, mainly due to additional bank loans and shareholders loans taken up.

Lease liabilities, including current and non-current, decreased by S\$0.07 million or 37% from S\$0.19 million as at 31 December 2023 to S\$0.12 million as at 31 December 2024, mainly due to repayment of lease liabilities.

As at 31 December 2024, the Group had a negative working capital of S\$3.69 million (31 December 2023: S\$0.48 million). The Company intends to fund its operation through the Group's internal resources, loans from shareholders, borrowings and/or capital raising as and when required.

## 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 Group's sterilisation business segment is in the process of expanding its business capacity. The management expects the sterilisation business will continue to grow and generate positive operating cashflow.

## 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 second half and full year ended 31 December 2024.

## 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 year ended 31 December 2024 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.

**9. Review of performance of the Group – turnover and earnings**

Please refer to point 2 above.

**10. Breakdown of sales**

	<u>Group</u> <u>Financial year</u> <u>ended 31 Dec 2024</u> S\$'000	<u>Financial year</u> <u>ended 31 Dec 2023</u> S\$'000	%
Sales reported for first half year	2,337	2,696	(13)
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	24	(516)	(105)
Sales reported for second half year	2,480	2,500	(1)
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(178)	559	(132)

**11. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Bryan Nicholas Lee Mun Hei	43	Son of substantial shareholder, Mr Lee Teck Yuen	Chief Executive Officer, 1 July 2024	Nil

**BY ORDER OF THE BOARD**  
**Southern Archipelago Ltd.**

John Lee Yow Meng  
Chief Financial Officer and Executive Director  
26 February 2025