

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES ON ANNOUNCEMENT DATED 11 AUGUST 2017 IN RELATION TO ITS UNAUDITED RESULTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2017 FINANCIAL STATEMENTS AND DIVIDEND

1. INTRODUCTION

The board of directors (the “**Board**”) of Blumont Group Ltd. (博诺有限公司) (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its unaudited results for the second quarter and six months ended 30 June 2017 financial statements and dividend announcement dated 11 August 2017 (the “**Announcement**”). The Company is pleased to provide response to the queries received from Singapore Exchange Securities Trading Limited on the Announcement, which are set out below:

a. In paragraph 8 of the Company's 1HFY2017Results Announcement (“**Announcement**”), the Company announced that it had a “loss on strike-off of a dormant subsidiary of \$1.87 million for 2Q2017 and 1H2017 (2Q2016 and 1H2016: Nil)”.

i. Please provide a details of the “dormant subsidiary” that was struck off, and the nature of the loss on strike-off.

The “dormant subsidiary” refers to Blumont Copper Pte. Ltd. (“**BCPL**”), a wholly owned subsidiary held directly by the Company, previously incorporated for mineral, energy and resources business. As announced on 20 June 2017, BCPL has submitted an application for striking-off pursuant to Section 344A of the Companies Act, Chapter 50 to the Accounting and Corporate Regulatory Authority on 20 June 2017.

The foreign exchange reserve and fair value reserve which were previously recognised in equity in accordance with Singapore Financial Reporting Standards (“**SFRS**”) are reclassified to profit or loss as “loss on strike off of a dormant subsidiary” upon derecognition of assets in accordance with SFRS.

b. In paragraph 8 of the Announcement, the Company indicated an increase in Current and non-current borrowings by S\$1.03 million to S\$1.11 million as at 30 June 2017 was mainly due to the Group's drawdown of credit facility during the period.

i. Please provide details for the drawdown of credit facility, including the type of credit facility and the use of the funds.

The credit facility relates to a bank loan obtained by PT Rel-ion Sterilization Services (“**PTRI**”), a 77.71% owned subsidiary, indirectly held by the Company. A sum of RP10 billion (approximately S\$1.04 million) was drawn at an interest rate of 10% per annum with a repayment term of 5 years. The bank loan is secured by PTRI's land and building.

The drawdown of the bank loan is used for working capital.

BY ORDER OF THE BOARD

Blumont Group Ltd.

Ng Kim Huatt
Executive Director
30 August 2017