BLUMONT GROUP LTD.
(Company Registration No.: 199302554G)
(Incorporated in the Republic of Singapore)

INCREASE IN SHAREHOLDING IN PT REL-ION STERILIZATION SERVICES

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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**") wishes to announce that the Company's wholly-owned subsidiary, Adroit Innovations Investment Pte Ltd ("**Adroit**") has today entered into a sale and purchase agreement (the "**SPA**") with Net Data Investments Limited ("**NDI**"), pursuant to which Adroit has agreed to acquire shares (the "**Sale Shares**") in PT Rel-ion Sterilization Services ("**PT Rel-ion**"), the Company's indirect subsidiary, representing approximately 22.29% of the total issued share capital of PT Rel-ion from NDI (the "**Proposed Acquisition**").

2. INFORMATION ON PT REL-ION AND NDI

PT Rel-ion is a company incorporated in Indonesia carrying on the business of providing sterilisation and polymerisation services. As at the date of this announcement, PT Rel-ion has a total issued share capital of Rp30,616,000,000 divided into 30,616 shares. Adroit, the Company's wholly-owned subsidiary, currently owns 16,970 shares in PT Rel-ion, representing approximately 55.43% of the total issued share capital of PT Rel-ion.

NDI owns the remaining shares in PT Rel-ion, representing approximately 44.57% of the total issued share capital of PT Rel-ion.

The book value and net tangible asset ("**NTA**") value of the Sale Shares are as follows:

	PT Rel-ion shares (Rp)
Book value (1)	57,850,060,397
NTA value (1)	57,850,060,397

Note:
(1) Based on PT Rel-ion's financial statements for the three months ended 31 March 2016.

3. RATIONALE FOR THE PROPOSED ACQUISITION

PT Rel-ion has been profitable for the last three (3) completed financial years ended 31 December and its net profits for the three months ended 31 March 2016 is Rp3,870,410,727 (approximately S$391,995 based on an exchange rate of Rp9,874 to S$1.00). The Proposed Acquisition represents an opportunity for the Company to increase its percentage shareholding in a profitable subsidiary, which will in turn contribute positively to the Group's profit.

4. DETAILS OF THE PROPOSED ACQUISITION

4.1. Consideration

Adroit intends to purchase and NDI intends to sell 6,823 shares in PT Rel-ion, representing approximately 22.29% of the total issued share capital of PT Rel-ion (the "**Sale Shares**") for an aggregate cash consideration of S$1,500,000 (the "**Consideration**"). With the Proposed Acquisition, the Group will increase its percentage shareholding in PT Rel-ion from approximately 55.43% to approximately 77.71%[1] of the total issued share capital of PT Rel-ion.

The Consideration for the Proposed Acquisition was arrived at on a willing-buyer willing-seller basis, taking into consideration, *inter alia*, the net profits of PT Rel-ion for the last three (3) completed financial years ended 31 December 2013, 31 December 2014 and 31 December 2015, as well as for the three months ended 31 March 2016.

The Consideration will be funded using the net proceeds from the disposal of financial assets at fair value through profit or loss and disposal of properties from the property segment of the Company.

4.2. Conditions Precedent to the Proposed Acquisition

Pursuant to the terms of the SPA, completion of the Proposed acquisition is conditional upon the occurrence of the following:

(a) execution of a shareholders' resolutions by the authorised representatives of the shareholders of PT Rel-ion to consummate the sale of the Sale Shares to Adroit;

(b) completion of the company folder registration of PT Rel-ion and all necessary documents having been uploaded to the company folder of PT Rel-ion, to the satisfaction of Adroit; and

(c) approval from *Badan Koordinasi Penanaman Modal* (the Capital Investment Coordinating Board of the Republic of Indonesia) in relation to the sale of the Sale Shares to Adroit being issued to Adroit, to the satisfaction of Adroit,

(the "**Conditions Precedent**").

If any of the Conditions Precedent above is not satisfied or waived within three (3) months of the date of the SPA, Adroit is entitled to terminate the SPA and the SPA shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the SPA.

[1] Discrepancy between the individual percentage figures and total thereof is due to rounding.

5. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are set out in the table below.

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets.	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net loss	(1.252)%(1)
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	16.614%(2)
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) Net profit/loss is defined as profit or loss before income tax, minority interests and extraordinary items. Based on the unaudited financial statements of PT Rel-ion for the three months ended 31 March 2016, the net profits attributable to the Sale Shares being acquired pursuant to the Proposed Acquisition amounts to approximately Rp862,549,399 (approximately S$87,359 based on an exchange rate of Rp9,874 to S$1.00). The unaudited loss before income tax for the Group for the three months ended 31 March 2016 was S$(6,978,000).

(2) The aggregate value of the Consideration is S$1,500,000. The market capitalisation of the Company as at 24 May 2016 was S$9,028,450, determined by multiplying the number of issued shares of the Company ("**Shares**") as at 24 May 2016, being 4,514,224,998 Shares, by the volume weighted average price of S$0.002 per Share on 24 May 2016.

The relative figure computed based on Rule 1006(b) is a negative figure. Rule 1007(1) of the Listing Manual provides that if any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 of the Listing Manual may still be applicable to the Proposed Acquisition at the discretion of the SGX-ST, and issuers should consult the SGX-ST.

The Company had submitted an application to consult with the SGX-ST on the treatment of the negative figure for Rule 1006(b) of the Listing Manual. The SGX-ST had ruled that the Proposed Acquisition is a discloseable transaction and the Company is not required to obtain Shareholders' approval. Accordingly, the Company will not be convening an extraordinary general meeting to seek shareholders' approval for the Proposed Acquisition.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition as set out below are for illustrative purposes only and do not reflect the future financial results or position of the enlarged group after the completion of the Proposed Acquisition.

The objective of presenting the pro forma financial effects of the Proposed Acquisition as shown below is to illustrate what the historical financial information might have been had the Proposed Acquisition been completed at an earlier date. However, such financial information is not necessarily indicative of the results of Proposed Acquisition been completed at the earlier date.

The financial effects in this section are based on the audited accounts of the Group for the 12 months ended 31 December 2015. The pro forma financial effects of the Proposed Acquisition have been prepared based on the following assumptions:

(a) the Proposed Acquisition was completed on 1 January 2015 for the purpose of computing the pro forma financial effects on the earnings per Share ("**EPS**") of the Group; and

(b) the Proposed Acquisition was completed on 31 December 2015 for the purpose of computing the pro forma financial effects on the net tangible liabilities ("**NTL**") per Share of the Group.

6.1. Effect on EPS

For illustrative purposes only, and assuming the Proposed Acquisition was completed at the beginning of the financial year ended 31 December 2015, the pro forma financial effects of the Proposed Acquisition on the EPS of the Group are as follows:

	Before the Proposed Acquisition[(1)]	After the Proposed Acquisition[(1)]
Loss for the year attributable to the owner of the Company (S$)	(29,560,976)	(29,271,024)
Weighted average number of Shares	3,619,936,142	3,619,936,142
EPS (cents)	(0.82)	(0.81)

Note:

(1) Based on the audited financial statements of the Group for the financial year ended 31 December 2015.

6.2. Effect on NTL

For illustrative purposes only, and assuming the Proposed Acquisition was completed at the end of the financial year ended 31 December 2015, the pro forma financial effects of the Proposed Acquisition on the NTL per Share are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTL value (S$)	(14,093,002)	(14,093,002)
Weighted average number of shares	3,619,936,142	3,619,936,142
NTL per Share (cents)	(0.39)	(0.39)

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The sole director of Adroit is Ng Kim Huatt, the Company's Executive Director. Save as disclosed, none of the directors of the Company (the "**Directors**" and each, a "**Director**") (other than in his capacity as a Director or Shareholder) or controlling shareholders of the Company (other than in its capacity as a Shareholder) has any interest, direct or indirect, in the Proposed Acquisition.

8. SERVICE AGREEMENT(S)

No person is proposed to be appointed to the board of directors of the Company in connection with the Proposed Acquisition and accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 298 Tiong Bahru Road, #11-03 Central Plaza, Singapore 168730 for a period of three (3) months commencing from the date of this announcement.

10. UPDATES

The Company will disclose any updates or further information on the Proposed Acquisition when it is appropriate to do so.

BY ORDER OF THE BOARD
Blumont Group Ltd.
Ng Kim Huatt
Executive Director
25 May 2016