

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES ON ANNOUNCEMENT DATED 07 NOVEMBER 2018 IN RELATION TO ITS UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018 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 third quarter and nine months ended 30 September 2018 financial statements and dividend announcement dated 07 November 2018 (the “**Announcement**”). The Company is pleased to respond to the queries received from Singapore Exchange Securities Trading Limited on the Announcement, which are set out below: -

With reference to the Statement of Financial Position, please provide an explanation for the material variances in the amounts of the following items:-

- a. Decrease in Trade Creditors from S\$3.298m to S\$2.212m; and
- b. Increase in Borrowings from S\$2.88m to S\$5.658m.

The explanation for the material variances in the amounts of the following items are elaborated as follows: -

- a. Decrease in Trade Creditors from S\$3.298m to S\$2.212m

Trade and other payables decreased by S\$1.09 million or 33%, mainly due to repayment of withholding taxes of S\$0.50 million to IRAS and reclassification of debt owing to third party to equity due to a novation of said debt to a subsidiary of the Group, amounting to S\$0.97 million. This decrease is partly offset by increase in interest of S\$0.17 million due to additional shareholder's loans taken by the Company, as well as increase in professional fees by S\$0.20 million due to acquisitions undertaken by the Company in 2018.

- b. Increase in Borrowings from S\$2.88m to S\$5.658m.

Current and non-current borrowings increased by S\$2.78 million from S\$2.88 million as at 31 December 2017 to S\$5.66 million as at 30 September 2018, mainly due to draw down of additional shareholder's loans of S\$3 million during the period for working capital and to fund acquisitions undertaken by the Company in 2018, partly offset by repayment of bank borrowings during the period.

BY ORDER OF THE BOARD

Blumont Group Ltd.

Siaw Lu Howe

Executive Chairman and Chief Executive Officer

30 November 2018