Blumont Group Ltd.
(Company Registration No. 199302554G)
(Incorporated in Singapore)

RESPONSE TO QUERIES ON ANNOUNCEMENT DATED 11 NOVEMBER 2014 IN RELATION TO ITS UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014 (THE "ANNOUNCEMENT")

Blumont Group Ltd. (博诺有限公司) (the "**Company**") refers to the Announcement. The Company is pleased to provide its response to the queries received from the Singapore Exchange Securities Trading Limited on the Announcement, which are set out below.

(i) Please provide a breakdown of the assets that the Company had classified as (a) financial assets, available-for-sale, and (b) financial assets, at fair value through profit or loss.

(a) Financial assets, available-for-sale (MOG companies)

	As at 30 September 2014 S$000
Unquoted equity investment	34,339
Quoted equity investments	13,927
Convertible note	3,952
Convertible loan facility	4,327
Total Financial assets, available-for-sale	**56,545**

(b) Financial assets, at fair value through profit or loss

	As at 30 September 2014 S$000
At fair value on initial recognition	
Listed securities	
Equity Securities – Singapore	10,504
Equity Securities – Malaysia	40
Total Financial assets, at fair value through profit or loss	**10,544**

Where it relates to investment in the MOG companies, please specify the names of the investee companies accordingly.

Investee companies:
Azarga Resources Limited
Celsius Coal Limited
Cokal Limited
Kidman Resources Limited
Merlin Diamonds Limited
Elysium Resources Limited
Discovery Metals Limited

(ii) For each of the investment included in (i)(a) and (i)(b), please provide the additional investments/(disposal), fair value gain/(loss) recognized in the relevant financial quarter;

(a) Financial assets, available-for-sale

	S$000
Unquoted equity investment	
At fair value:	
Balance as at 1 July 2014	10,548
Additions	24,317
Foreign exchange difference	191
Balance as at 30 September 2014	35,056
Impairment loss:	
Balance as at 1 July 2014	(406)
Impairment during the period	(311)
Balance as at 30 September 2014	(717)
	34,339
Quoted equity instruments	
At fair value:	
Balance as at 1 July 2014	23,925
Additions	1,163
Fair value changes recognised in other comprehensive income	6,823
Foreign exchange difference	160
Balance as at 30 September 2014	32,071
Impairment loss:	
Balance as at 1 July 2014	(10,043)
Impairment during the period	(8,288)
Foreign exchange difference	187
Balance as at 30 September 2014	(18,144)
	13,927
Convertible note	
At fair value:	
Balance as at 1 July 2014	25,888
Additions	148
Conversion of convertible note	(22,310)
Foreign exchange difference	226
	3,952
Convertible loan facility	
Balance as at 1 July 2014	3,745
Additions	502
Foreign exchange difference	80
	4,327
Total Financial assets, available-for-sale	**56,545**

(b) Financial assets, at fair value through profit or loss

	S$000
At fair value on initial recognition:	
Balance as at 1 July 2014	11,886
Disposal	(77)
Foreign exchange difference	(1,265)
Balance as at 30 September 2014	**10,544**

(iii) Please advise the factors considered in determining if the assets should be reclassified as (a) financial assets, available-for-sale, vis-à-vis (b) financial assets, at fair value through profit or loss

(a) Financial assets, available-for-sale

The Group classifies non-derivative financial assets as financial assets, as available-for-sale in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* if they are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

The Group classifies its long term non-controlling quoted investments listed on Australian Securities Exchange, other unquoted equity investments, convertible notes and convertible loan facility as financial assets, available-for-sale.

(b) Financial assets, at fair value through profit or loss

The Group classifies its financial assets, at fair value through profit or loss in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*. The financial assets are classified into two sub-categories as: (a) financial assets held for trading; and (b) those financial assets which are designated at inception or at the point of time of acquisition as financial assets, at fair value through profit or loss. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling it in the short term. Financial assets designated as at fair value, through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis.

The Group classifies its investments in companies listed in the Singapore Exchange and Bursa Malaysia as financial assets, at fair value through profit or loss.

(iv) Please describe the Company's policies relating to a reclassification of assets from financial assets, available-for-sale to financial assets, at fair value through profit or loss and vice versa.

The Group does not have any policy on the reclassification of its assets from financial assets, available-for-sale to financial assets, at fair value through profit or loss and vice versa.

BY ORDER OF THE BOARD
Blumont Group Ltd.

Ng Kim Huatt
Executive Director
24 December 2014