

BLUMONT GROUP LTD.
(Company Registration No. 199302554G)
(Incorporated in the Republic of Singapore)
("Company" and together with its subsidiaries, the "Group")

- (I) **ANNUAL GENERAL MEETING TO BE HELD ON 27 APRIL 2021 – RESPONSE TO QUESTION**
- (II) **QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ("SIAS") ON ANNUAL REPORT 2020 – RESPONSES TO QUESTIONS**
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- (I) **ANNUAL GENERAL MEETING TO BE HELD ON 27 APRIL 2021 – RESPONSE TO QUESTION**

The Board of Directors ("**Board**") of Blumont Group Ltd. ("**Company**") wishes to thank shareholders for submitting their questions in advance of the Annual General Meeting ("**AGM**") to be held by electronic means on 27 April 2021 at 2.00 p.m. The following is a response to the question being raised.

Shareholder Question 1

It was reported that Mr Mark Wee Liang Yee previously said he intends to review the Company's business to identify areas in which its strategic direction and operations can be enhanced, which may involve the disposal or cessation of underperforming businesses and assets and the purchase of new assets. Are there any updates for this?

Response: Mr. Mark Wee and the Board are in discussions to explore possible strategic options and plans to increase value for all shareholders.

- (II) **QUESTIONS FROM SIAS ON ANNUAL REPORT 2020 – RESPONSES TO QUESTIONS**

The Board has on 12 April 2021 received questions from SIAS relating to the Company's Annual Report for the financial period between 1 January 2020 to 31 December 2020. The following are responses to the questions being raised.

SIAS Question 1

On 16 November 2020, Mr Mark Wee Liang Yee purchased 50.8% of the Company's shares from Ultimate Horizon Pte. Ltd. and on 31 December 2020, following the close of the mandatory unconditional cash offer, he holds a total of 51.3% of the shares in the Company.

Ultimate Horizon Pte Ltd now holds 29.49% of the Company's issued shares.

- (i) Has the new controlling shareholder contacted the Company and the Board and made known his intentions for the Group? What communications did the Group have with the new controlling shareholders?

Response: Mr. Mark Wee has contacted the Board and we are in discussions to explore possible strategic options and plans to increase value for all shareholders.

- (ii) Can the Board confirm that Mr Mark Wee Liang Yee is not associated with any other controlling shareholders?

Response: The Board is unaware if Mr. Mark Wee is associated with other controlling shareholders.

- (iii) Will the Board be putting on hold the proposed acquisition of the entire issued share capital of Samadhi Retreats Pte. Ltd. ("**Proposed Acquisition**") until it gets clarity from the new controlling shareholder?

Response: As mentioned in the announcement dated 4 April 2019 in relation to the Proposed Acquisition, the sale and purchase agreement in respect of such proposed acquisition has lapsed as of 31 March 2019.

However, as shareholders will note, the Proposed Acquisition was for a group of companies principally engaged in the hospitality sector across Southeast Asia. One of such company is Labrador Hill Pte. Ltd., with operations in Singapore.

In light of the current Covid-19 pandemic and its ongoing impact, the Board assessed that it is in the interests of the Company to enter into the hospitality business only on a smaller scale at this juncture, with a small investment of S\$720,000 by the Company in a minority stake of 27% in Labrador Hill Pte Ltd, with an option to acquire another 24% subject to certain conditions and factors, among others. The Board believes that such acquisition and option granted to the Company, would provide the Company with an opportunity to assess the hospitality industry and trends and to consider the possible course of action to be undertaken thereafter.

SIAS Question 2

Would the Board/management provide shareholders with greater clarity on the following operational matters? Specifically:

- (i) Sterilisation business: Can management let shareholders understand the strategic value of the sterilisation business? The service provider for contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products in Bekasi, West Java, Indonesia contributed all of the Group's revenue (less \$3,869) in FY2020. How much management time and capital does the Board allocate to the segment? Have the business prospects improved as a result of better awareness and demand for sterilisation?

Response: In a pandemic impacted world, the demand for sterilization services is likely to grow fast. Our services are also serving a fast growing market in Indonesia, which is expected to have spectacular growth in coming years.

At the present moment, all of the management's time is focused on the sterilisation business and also identifying and exploring areas where there are attractive opportunities and strategic options.

- (ii) Development property: The Group holds a 7,863 sq. metre piece of leasehold land in Shah Alam that has a carrying value of \$4.58 million as at 31 December 2020. The independent valuation of the development property was RM28.0 million (S\$9.3 million) as at 31 December 2020. Does the Board consider it timely to monetise the asset to strengthen the financial position of the Group?

Response: Monetisation of assets is also being considered in our efforts to rationalise the Group's business and operations.

SIAS Question 3

In the chairman's statement, it was stated that the Group will remain committed to optimise shareholder returns through exploring and seizing opportunities to further develop the business. It seeks good investment opportunities to improve shareholders' value.

The mission statement is shown on page 5 and reproduced below: "*To continue to re-engineer Blumont Group Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") into a niche*

strategic investor in businesses with the global market in mind, that can generate opportunities, scalability and growth for the Group.”

- (i) For the benefit of new and long-standing shareholders, would the Board clearly (re)state the Group’s industry and geographical focus? What are the Group’s core competence and competitive advantage?

Response: Considering and analyzing investment opportunities and strategic options of the Company is an ongoing exercise. As this juncture, the Board is not limiting the Company’s industry and geographical focus to any single area or industry. However, as elaborated earlier, the Company has recently made a considered approach into the hospitality sector in Singapore by the acquisition of a 27% minority stake in Labrador Hill Pte Ltd and will review and evaluate its investment and assess further thereafter.

- (ii) How is the Board carrying out its search for investments? Will the Board be engaging investment banks and/or professional advisers to source for attractive investments with good potential?

Response: The Board does not limit potential investment advisors in any way and evaluates investment opportunities presented to it with a considered approach.

- (iii) Given that the public and private markets are flushed with capital, what can the Group offer to its potential investees/partners without overpaying such any potential investment?

Response: Each investment opportunity is unique and should be evaluated on its own merits. In the event that the Board proposes that the Company enters into any investment, such investment would be considered, taking into account various factors including size, funding and growth potential of the investment, amongst others.

- (iv) In addition, the Company stated that significant changes to the Proposed Acquisition will be made following recent negotiations with the vendors. The Board will announce at the appropriate juncture as and when material and significant developments are achieved in relation to the proposed acquisition. The Group has been in discussion with the vendors for more than three years. What is causing the delay in the negotiations?

Response: As elaborated earlier, the long stop date of the transaction has lapsed. Notwithstanding, the Company has made a cautious approach into the hospitality sector by acquiring a minority stake of 27% in Labrador Hill Pte Ltd, from the vendors.

BY ORDER OF THE BOARD

Siaw Lu Howe
Non-Executive Chairman

27th April 2021