

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

QUARTERLY UPDATES PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

1. Introduction

Blumont Group Ltd. (博诺有限公司) (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Listing Rule 1311(1) on 3 June 2016 following the Notice of 3 Consecutive Years’ Losses released by the Company on 29 February 2016.

Pursuant to Rule 1313(2) of the Listing Manual, the board of directors (the “**Board**”) of the Company wishes to provide an update on the financial situation of the Company and the Group for the fourth quarter ended 31 December 2016 (“**4Q2016**”).

2. Financial Situation

In 4Q2016, the Group recorded an unaudited net profit after tax of S\$18.94 million, compared to the net loss after tax of S\$10.67 million in the fourth quarter ended 31 December 2015 (“**4Q2015**”).

The Group had incurred profit in 4Q2016 which was mainly derived from the completion of the repayment of borrowing and payables to its lender, Wintercrest Advisors LLC (“**Wintercrest**”), in accordance with the settlement agreement entered on 7 April 2016 (“**Settlement Agreement**”), on 25 November 2016. The repayment of borrowing was made through assignment of the debtor’s loan, disposal of assets and issuance of the Company’s shares.

The completion of the Settlement Agreement was conditional and required regulatory and shareholders’ approvals (See Point 4 “Settlement Agreement with Wintercrest Advisors LLC” for further details). As such, the Group had continue to recognise the interest and administrative expenses before the completion of the Settlement Agreement. The interest and administrative expenses were then reversed upon completion of the Settlement Agreement on 25 November 2016, in 4Q2016.

Further, as the outstanding repayment amount was agreed at 31 December 2015, there were no interest expenses and administrative expenses in relation to the loan for the financial year ended 31 December 2016, which reduces the losses of the Group significantly for financial year ended 31 December 2016.

For more details on the results and financial position of the Group for the fourth quarter and full year ended 31 December 2016, please refer to our separate announcement released on 24 February 2017.

3. Future Direction

The Board believe that uncertainties exists and the Group expects business conditions to remain challenging.

The Group will leverage on its core competencies and capabilities to expand its existing business, to assess new business opportunity or to search for potential merger and acquisition with good long term prospects that will improve the financial performance and position of the Group.

4. Material Development

Joint Venture Agreement with Eminent Envisage Sdn Bhd

As announced on 4 December 2015, the Company's 65% indirectly-owned subsidiary, Trackplus Sdn Bhd ("**Trackplus**") entered into a joint venture agreement with Eminent Envisage Sdn Bhd ("**Developer**") on 4 December 2015 ("**JV Agreement**"), pursuant to which Trackplus and the Developer will enter into a joint venture to undertake residential and/or commercial development on a piece of leasehold land located in Selangor measuring approximately 7,863 square meters ("**JV Land**"). Trackplus is the registered and beneficial owner of the JV Land while the Developer will undertake residential and/or commercial development on the JV Land (the "**Project**") subject to all necessary approvals from relevant authorities. The Group is currently in the process of obtaining all the necessary approvals from the relevant authorities to develop the JV Land to generate income for the Group. A notable milestone was achieved when the Developer received the Developer Order for the Project on 10 January 2017.

Settlement Agreement with Wintercrest Advisors LLC

In relation to the Company's entry into a facility agreement dated 24 December 2013, a supplemental agreement dated 29 May 2014 and a second supplemental agreement dated 13 March 2015 with Wintercrest, the Company has entered into a Settlement Agreement for the full and final settlement of the outstanding amount owing and payable to Wintercrest under the facility agreement based on computation as at 31 December 2015.

The Company and Wintercrest have agreed to effect a full and final settlement of the outstanding amount and have agreed that, subject to the specified conditions set out in the Settlement Agreement having been satisfied and/or complied with through assignment of investment assets in the mineral and energy resources segment and issuance of shares.

On 23 June 2016, the Securities Industry Council ("SIC") has granted the Company with the whitewash waiver subject to conditions detailed within the announcement.

On 28 September 2016, the Company received the in-principle approval of the SGX-ST for the listing and quotation of the 23,011,537,185 Conversion Shares on the Main Board of the SGX-ST, subject to the Company's compliance with the SGX-ST's listing requirements and shareholders' approval being obtained for the issuance of the Conversion Shares.

The Company had also sought a waiver (the "Waiver") from complying with Rule 1014(2) of the SGX-ST Listing Manual in relation to the inclusion of a qualified person's report in the Circular in respect of the Proposed Disposals, and the SGX-ST has on 28 September 2016 advised the Company that it has no objection to the Company's application for the Waiver.

The circular and notice of extraordinary general meeting was despatched on 13 October 2016. The extraordinary general meeting was convened and shareholders approval obtained on 22 November 2016. The transaction was completed on 25 November 2016.

Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd

On 26 April 2016, Raintree Rock Sdn Bhd ("Raintree"), a wholly owned subsidiary of Blumont Group Ltd., had been notified that it had on 22 April 2016, been served with a writ of summons and state of claim filed in the high court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title to the property, an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation.

The Group is currently seeking legal advice and will, in consultation with its solicitors, take such necessary steps to defend the Legal Proceedings. The Group reserves all its rights on the

matter. The Company will disclose any updates or further information on the Legal Proceedings when it is appropriate to do so.

The Company will endeavour to meet the requirements of Listing Rule 1314(1) for its removal from the watch-list within 36 months from 3 June 2016 and would update the shareholders in due course.

BY ORDER OF THE BOARD

Blumont Group Ltd.

Ng Kim Huatt
Executive Director
24 February 2017