

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 third quarter ended 30 September 2016 (“**3Q2016**”).

2. Financial Situation

In 3Q2016, the Group recorded an unaudited net loss after tax of S\$3.80 million, compared to the net loss after tax of S\$4.10 million in the third quarter ended 30 September 2015 (“**3Q2015**”).

The Group continue to incur loss in 3Q2016, which was mainly contributed by the fair value change of its quoted financial assets, at fair value through profit or loss. The monthly interest expenses and administrative expenses including withholding tax on interest expenses in relation to the Wintercrest Loan during the quarter also attributed to the net loss after tax during the 3Q2016.

The improved results achieved by the Group in 3Q2016 was mainly resulted from loss on disposal of financial assets, at fair value through profit or loss and loss on write-off of financial assets, available for sale incurred in 3Q2015, no such losses incurred in 3Q2016.

For more details on the results and financial position of the Group for the period ended 30 September 2016, please refer to our separate announcement released on 26 October 2016.

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.

Recovery of Consortium costs for Prospect Resources Limited

As announced by the Company on 15 August 2015, the Court has dismissed Prospect Resources Limited ("PSC")'s claims and ordered that PSC pay the Consortium costs. The Company has fully received the claims to-date.

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 Advisors LLC ("Wintercrest"), the Company has entered into a settlement agreement dated 7 April 2016 with Wintercrest ("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 will be convened on 22 November 2016.

If the transaction is successful, the immediate impact would be remove the single largest liability and operating cost. Without any further interest charges and administration fees, the Company will be in a good position to return to profitability soon.

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.

Updates on Legal Proceeding in relation to Article Published in The Edge Singapore and The Edge Malaysia

Referring to its announcements made on 29 September 2014 and 17 October 2014 in relation to the commencement of defamation proceedings in Singapore and Malaysia against: (a) The Edge Publishing Pte Ltd and Benjamin Paul; and (b) The Edge Communications Sdn Bhd and Azam Aris, respectively (collectively, the “Defamation Proceedings”). The Company is pleased to announce that the parties have reached an out-of-court global settlement of the dispute and the Defamation Proceedings have been discontinued. After taking advice from the Company’s solicitors, the Company entered into a Settlement Agreement on 29 September 2016 with the abovementioned parties in full and final settlement of the Defamation Proceedings.

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
26 October 2016