BLUMONT
博诺有限公司

**BLUMONT GROUP LTD.**
(Company Registration No.: 199302554G)
(Incorporated in the Republic of Singapore)

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

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## 1. Introduction

Blumont Group Ltd. (博诺有限公司) (the "**Company**", and its subsidiaries, the "**Group**") was placed on the Watch-list pursuant to Rule 1311 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX**") 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 first quarter ended 31 March 2016 ("**1Q2016**").

## 2. Financial Situation

In 1Q2016, the Group recorded an unaudited net loss after tax of S$6.97 million, compared to net loss after tax of S$10.02 million in the first quarter ended 31 March 2015 ("**1Q2015**").

The Group continue to incur losses in 1Q2016, which was mainly contributed by impairment of quoted financial assets, at fair value through profit or loss and quoted financial assets, available-for-sale. Monthly interest expenses and administrative expenses charged for the Wintercrest Loan during the quarter also contributed to net loss after tax during the 1Q2016. The Group continues to provide for interest and administrative expenses pending approval of the Settlement Agreement mentioned in Item 4(b).

The improved results achieved by the Group in 1Q2016 as compared to 1Q2015, mainly resulted from the strengthening of Singapore Dollars against United States Dollars, which is the denomination currency of Group's largest borrowings. The Group's professional and consultancy fees for its mineral and energy resources segment, incurred in relation to the Genesis takeover in 1Q2015 was a one-time non-recurring expense.

For more details on the results and financial position of the Group for the period ended 31 March 2016, please refer to our separate announcement released on 10 May 2016.

## 3. Future Direction

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

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

## 4. Material Development

(a) 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.

(b) As announced on 8 April 2016, the Company has entered into a settlement agreement dated 7 April 2016 with Wintercrest for the full and final settlement of the outstanding amount owing and payable to Wintercrest under the facility agreement (subject to regulatory and shareholders' approval) based on computation as at 31 December 2015. If successful, the immediate impact would be to 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. The Company is currently preparing the documents for submission to obtain regulatory approval.

The Company will endeavour to meet the requirements of Rule 1314 of the SGX-ST Listing Manual for its removal from the Watch-list within 36 months from 29 February 2016 and would update the shareholders in due course.

**BY ORDER OF THE BOARD**
Blumont Group Ltd.

Ng Kim Huatt
Executive Director
10 May 2016