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

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 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 first quarter ended 31 March 2017 ("**1Q2017**").

2. Financial Situation

In 1Q2017, the Group recorded an unaudited net profit after tax of S$39,000, compared to the net loss after tax of S$6.97 million in the first quarter ended 31 March 2016 ("**1Q2016**").

The Group has incurred profit in 1Q2017 which was mainly due to significant decrease in expenses, including interest expense, administrative expense and withholding tax in relation to the loan from Wintercrest Advisors, LLC ("**Wintercrest**"). The decrease was due to the Group had on 25 November 2016, completed the repayment of borrowing and related payables to Wintercrest, in accordance with the settlement agreement entered on 7 April 2016 ("**Settlement Agreement**"). The repayment of borrowing was made through assignment of the debtor's loan, disposal of financial assets and issuance of the Company's shares. The Settlement Agreement also result in significant decrease in impairment losses on fair valuation of the financial assets, due to these financial assets were transferred to Wintercrest.

For more details on the results and financial position of the Group for 1Q2017, please refer to our separate announcement released on 26 April 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

Cash inflow from sterilisation business

The Group's sterilisation business is expected to generate approximately S$1.1 million (RP10,224.8 million) of cash inflow to the Group in financial year 2017. The sterilisation business had generated positive cashflows to the Group.

Cash inflow from sale of properties

The Group is currently pending to dispose one unit Clear Water Residence in Malaysia which is valued at approximately S$0.3 million (RM0.9 million). The Group is expecting to realise the sale of Clear Water Residence in financial year 2017.

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. The leasehold land was valued at approximately S$9.5 million (RM30.0 million) as at 9 March 2017 based on independent valuer's valuation report. The Group is considering to sell the Trackplus Land if required.

Application for deferment and request for instalment repayment plan on withholding tax

The Company has received two demand notes from the Inland Revenue Authority of Singapore ("**IRAS**") on 8 February 2017 to pay the outstanding withholding taxes of S$1.1 million on interest expenses incurred on financing loan from Wintercrest Advisors LLC. A penalty of 5% amounting to S$0.1 million has also been imposed to-date. The Company's tax agent had applied to IRAS on 29 December 2016 to defer and request for instalment repayment plan and was rejected. The Company subsequently appointed a legal advisor to submit a second application for the deferment and request of instalment repayment plan to IRAS on 7 March 2017, and IRAS was not able to accede with the request. Subsequently, Blumont's legal advisor had assist to make an appeal and is pending response from IRAS.

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 of Suasana Sentral Kuala Lumpur condominium (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. Thereafter, the Group will dispose the Property upon settlement of the Legal Proceedings.

In addition to the above, the Company's management is constantly working on other fund raising initiatives, for which announcements will be made when appropriate.

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 April 2017