

## BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

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### ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL – DISCLAIMER OPINION BY THE AUDITORS ON THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. DISCLAIMER OPINION BY THE AUDITORS

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the board of directors (the “**Board**”) of Blumont Group Ltd. (博诺有限公司) (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditors, Moore Stephens LLP, have issued a disclaimer of opinion in the Independent Auditors’ Report for the audited financial statements of the Company and the Group for financial year ended 31 December 2016 (the “**Audited Financial Statements**”) as set out in the Company and the Group’s annual report for the financial year ended 31 December 2016 (the “**FY2016 Annual Report**”).

A copy of the extracted Independent Auditors’ Report and an extract of Note 3(b) *Going Concern Assumption* of the Audited Financial Statements are attached to this announcement.

Shareholders of the Company are advised to read the Audited Financial Statements in its annual report 2016, which will be despatched by 11 April 2017.

#### 2. OPINION OF THE BOARD

The Board has assessed the relevant disclosure as set out in Note 3(b) *Going Concern Assumption* and is satisfied that the above steps proposed by the management of the Company have been carefully considered, and while a material uncertainty exists, are achievable as discussed in Point 3 below. The Board therefore supports the steps proposed by the management of the Company.

The Board is confident that the Group will be able to raise sufficient funds necessary to fund the Group’s operational requirements for the next 12 months, and the Board supports the decision to adopt the going concern assumption in preparing the accompanying financial statements for the Company’s FY2016 Annual Report.

#### 3. BASIS OF THE BOARD’S OPINION

The Board has reviewed the Group’s cash flow requirements for the next 12 months and the fundraising initiatives and believe that although uncertainties exist, there are reasonable grounds to believe that the Company will be able to raise sufficient funds to enable the Group to fund its operations in the next 12 months. The basis for making this statement is as follows:

- (a) **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. In the financial year ended 31 December 2016, the sterilisation business contributed S\$0.3 million (RP173.3 million) of cash inflow to the Group.
- (b) **Cash inflow from sale of properties.** The Group is currently pending conclusion on disposal of one unit of Suasana Sentral Condominium in Malaysia to receive the outstanding payment of approximately S\$1.0 million (RM3.0 million) subject to conclusion of the legal proceeding following the Company's announcement on 26 April 2016 and 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 conclude the sale of Suasana Sentral Condominium and realise the sale of Clear Water Residence in financial year 2017.
- (c) **Cash inflow from sale of Trackplus Land.** 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\$8.1 million (RM25.0 million). The Group is considering to sell the Trackplus Land if required.
- (d) **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 currently still pending response from IRAS.

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

Accordingly, the Board is of the view that the above initiatives, along with the other measures described in the Note 3(b) *Going Concern Assumption* in the financial statements of the FY2016 Annual Report, will ensure that the assets of the Group are utilised in an optimum manner and the Company will be able to raise sufficient funds to fund the Group's operations for the next 12 months.

#### 4. ORDERLY TRADING

The Board confirms that, to the best of its knowledge, based on the disclosures made by the Company on the SGX-ST (including the FY2016 Annual Report and this Announcement), sufficient information is available for the market to continue trading in an orderly manner. The Board has reached this conclusion based on the fact that as at the date of this Announcement, all information required to be disclosed under Rule 703 of the Listing Manual of the SGX-ST has been so disclosed to the public.

**Cautionary Statement**

**Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully and to exercise caution when trading or dealing in their shares of the Company. Shareholders and potential investors should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.**

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

Ng Kim Huatt  
Executive Director  
4 April 2017