

BLUMONT GROUP LTD.

(Company Registration No.: 199302554G)

(Incorporated in the Republic of Singapore)

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 2015

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 Auditor’s Report for the audited financial statements of the Group for financial year ended 31 December 2015 (the “**Audited Financial Statements**”) as set out in the Group’s annual report for the financial year ended 31 December 2015 (the “**FY2015 Annual Report**”).

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

Shareholders of the Company are advised to read the Audited Financial Statements in its annual report 2015, which has been announced on 11 April 2016 and despatched on 12 April 2016.

2. OPINION OF THE BOARD

The Board has assessed the relevant disclosure as set out in Note 3(a) *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 FY2015 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 fund raising initiatives announced by the Company 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) **Negotiation on full settlement of the outstanding payable to Wintercrest Advisors LLC.** As announced by the Company on 8 April 2016, the Company had entered into a settlement agreement on 7 April 2016 for the full and final settlement of the outstanding amount owing and payable to Wintercrest Advisors LLC under the Facility Agreement. The outstanding amount owing and payable to Wintercrest Advisors LLC will be settled through a combination of assignment of assets and conversion to equity (subject to regulatory approval). If successful, the immediate impact would be remove the single largest liability and operating cost.
- (b) **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 claim and ordered that PSC pay the Consortium costs. The Company is expecting the cost will be reimbursed in financial year 2016.
- (c) **Cash inflow from sale of properties.** As disclosed in paragraph 8 (page 11) of the Announcement, 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\$0.99 million (RM3.00 million) and pending to dispose one unit Clear Water Residence in Malaysia which is valued at approximately S\$0.49 million (RM1.50 million) as at 31 December 2015. The Group is expecting to conclude the sale of Suasana Sentral Condominium and realise the sale of Clear Water Residence in financial year 2016.
- (d) **Initial sum on joint venture agreement with Eminent Envisage Sdn Bhd (“JV Agreement”).** As announced by the Company on 4 December 2015, the Group is expecting to receive RM500,000 as the initial sum of the JV Agreement in financial year 2016.

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 “Going Concern Assumption” note (Note 3(a)) in the FY2015 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 FY2015 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.

BY ORDER OF THE BOARD

Blumont Group Ltd.

Ng Kim Huatt
Executive Director
12 April 2016