

BLUMONT GROUP LTD.

(Company Registration Number: 199302554G)
(Incorporated in Singapore)

PROPOSED ACQUISITION OF SOLID BASE LIMITED – SALE AND PURCHASE AGREEMENT

1. INTRODUCTION

Tria Holdings Pte. Ltd. ("**Tria Holdings**"), a wholly-owned subsidiary of Blumont Group Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") is as at the date of this Announcement, the legal and beneficial owner of 2,990,000 ordinary shares, representing 65.0% of the issued and paid-up capital of Trackplus Sdn. Bhd. ("**Trackplus**").

Solid Base Limited (the "**Target Company**") is the legal and beneficial owner of 1,610,000 ordinary shares, representing the remaining 35.0% of the issued and paid-up capital of Trackplus (the "**Trackplus Shares**").

2. THE PROPOSED ACQUISITION

2.1 Background

The Board of Directors (the "**Board**" or the "**Directors**") of the Company wishes to announce that Tria Holdings has entered into a conditional sale and purchase agreement with Sim Kiang Chiok (the "**Vendor**") on 6 August 2018, in respect of the proposed acquisition of 100 ordinary shares representing the entire issued and paid-up capital of the Target Company (the "**Sale Shares**") for an aggregate consideration of S\$1.055 million (the "**Purchase Price**") (the "**Proposed Acquisition**") (the "**SPA**").

The Target Company and Trackplus will both become indirect wholly-owned subsidiaries of the Company upon completion of the Proposed Acquisition ("**Completion**"), and is in line with the Company's objective of consolidating its interest in Trackplus.

2.2 Sale and Purchase

Subject to the terms and conditions of the SPA, the Vendor shall sell and Tria Holdings shall purchase the Sale Shares free from all encumbrances with all rights, title and interest in and to the Sale Shares attaching to them as at Completion and thereafter.

2.3 Information on the Target Company

The Target Company is an investment holding company incorporated in Seychelles as an International Business Company. The Trackplus Shares is the sole asset of the Target Company. As at the date of this Announcement, the Vendor is the sole legal and beneficial owner of the entire issued and paid-up capital of the Target Company, and does not have any direct or indirect interest in the Company.

Based on the unaudited financial statements of the Group for the three (3) months ended 31 March 2018 which was announced by the Company on 26 April 2018 (the "**Unaudited 1Q2018 Results**"), the corresponding net asset value attributable to 35.0% of Trackplus is approximately S\$308,000.

Shareholders should note that all information relating to the Target Company and the Vendor in this Paragraph 2 and elsewhere in this Announcement was provided by the Vendor, and/or had been computed based on such information provided by the Vendor. The Directors and the Company have not independently verified the accuracy and correctness of such information provided by the Vendor. The sole responsibility of the Directors and the Company for the purpose of such information provided by the Vendor has been to ensure that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context.

2.4 **Consideration**

The Purchase Price was arrived at after arm's length negotiations between the Vendor and Tria Holdings, on a willing-buyer willing-seller basis after taking into account, *inter alia*, the consideration the Vendor had paid for the Trackplus Shares as well as the unaudited net asset value attributable to 35.0% of Trackplus.

The Purchase Price payable by Tria Holdings to the Vendor shall be satisfied in cash, and the Group intends to use internal resources, external borrowings and/or such other sources as the Board may deem appropriate to finance the Proposed Acquisition.

2.5 **Relative Figures**

As all of the relative figures computed on the bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**") amount to 5.0% or less, the Proposed Acquisition is a non-discloseable transaction under Chapter 10 of the Listing Manual.

3. **FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

The *pro forma* financial effects of the Proposed Acquisition as set out below are for illustrative purposes only and do not reflect an indication or a projection of the actual results and/or financial position of the Company and the Group following Completion.

The *pro forma* financial effects of the Proposed Acquisition on the net tangible assets ("**NTA**") per ordinary share in the issued and paid-up capital of the Company ("**Share**") and earnings per Share ("**EPS**") have been prepared based on the Unaudited 1Q2018 Results, and are subject to the following assumptions:

- (a) the Proposed Acquisition was completed on 31 March 2018; and
- (b) the Purchase Price was funded by external borrowings.

3.1 **Financial Effects of the Proposed Acquisition on the NTA per Share**

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$'000)	5,733	4,678
Number of Shares (excluding treasury shares)	27,570,762,183	27,570,762,183
NTA per Share (cents)	0.021	0.017

3.2 **Financial Effects of the Proposed Acquisition on the EPS**

The Proposed Acquisition is not expected to have any material impact on the EPS for the financial year ending 31 December 2018.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their shareholdings in the Company (if any), none of the Directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Proposed Acquisition.

5. FURTHER ANNOUNCEMENTS

The Company will make such further announcements at the appropriate juncture, as and when there are material developments in relation to the Proposed Acquisition.

6. CAUTION IN TRADING

Shareholders and potential investors of the Company should exercise caution when trading in the shares of the Company, as there is no certainty that Completion will take place. Persons who are in doubt as to the action they should take should consult their financial, tax, legal or other professional advisers.

By Order of the Board
BLUMONT GROUP LTD.

Siaw Lu Howe
Executive Chairman and Chief Executive Officer
6 August 2018