

SOUTHERN ARCHIPELAGO LTD.

(Formerly known as Blumont Group Ltd.)
(Company Registration No. 199302554G)
(Incorporated in Singapore)

- (I) **TERMINATION OF PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL IN EACH OF MENDOL INVESTMENTS PTE. LTD. AND HINAKO INVESTMENTS PTE. LTD.**
- (II) **TERMINATION OF RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**

– UPDATE TO THE CORPORATE PROPOSAL

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Southern Archipelago Ltd. ("**Company**", and together with its subsidiaries, "**Group**") refers to:

- (a) the Company's announcement dated 1 October 2021, the announcement dated 31 March 2022, the announcement dated 5 April 2022, the announcement dated 30 June 2022, the announcement dated 30 August 2022, the announcement dated 31 October 2022, the announcement dated 17 February 2023, the announcement dated 3 July 2023 and the announcement dated 10 July 2023 (collectively, the "**Acquisition Announcements**" and each, an "**Acquisition Announcement**") in relation to, *inter alia*, the share sale agreements dated 1 October 2021 (as amended, modified and supplemented by the First Supplemental Agreements dated 31 March 2022, the Second Supplemental Agreements dated 5 April 2022, the Third Supplemental Agreements dated 30 June 2022, the Fourth Supplemental Agreements dated 30 August 2022, the Fifth Supplemental Agreements dated 31 October 2022 and the Sixth Supplemental Agreements dated 10 July 2023) ("**SPAs**") between the Company and the Vendors¹ (collectively, "**Parties**") for the proposed acquisition of 100% of the issued and paid-up share capital in each of Mendol Investments Pte. Ltd. ("**Mendol**") and Hinako Investments Pte. Ltd. ("**Hinako**") for an aggregate consideration of S\$43,223,252 ("**Acquisition**"); and
- (b) the Company's announcement dated 1 October 2021, the announcement dated 31 March 2022, the announcement dated 5 April 2022, the announcement dated 30 June 2022, the announcement dated 1 July 2022 and the announcement dated 31 October 2022 (collectively, the "**Rights cum Warrants Issue Announcements**" and each, a "**Rights cum Warrants Issue Announcement**") in relation to, *inter alia*, the proposed renounceable non-underwritten rights cum warrants issue ("**Rights cum Warrants Issue**") of (i) (assuming completion of the Acquisition, and all of the Options are exercised), up to 10,784,628,212 Rights Shares with up to 32,353,884,636 Warrants, or (ii) (in the event the Acquisition is not completed, but all of the Options are exercised), up to 7,182,690,545 Rights Shares with up to 21,548,071,635 Warrants.

*Capitalised terms not otherwise defined herein shall have the meanings respectively ascribed to them in the Acquisition Announcements and the Rights cum Warrants Issue Announcements (collectively, the "**Announcements**").*

¹ Collectively refers to (i) the Mendol Vendors in respect of the Mendol SPA, namely, Strategic Premium Pte. Ltd., Luminous Global Inc., Genprop Pte. Ltd., Wong Ho Kit, Sim Swee Yoke, Golden Prosperity LLP and Tiara Gateway Pte. Ltd. (a wholly-owned subsidiary of Landmarks Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad) and (ii) the Tiara Vendor in respect of the Seychelles SPA, being Tiara Gateway Pte. Ltd..

2. TERMINATION OF THE ACQUISITION

- 2.1 Pursuant to the Acquisition Announcements, the Cut-Off Date for the fulfilment of the conditions precedent set out in the SPAs is 31 December 2023. In view of, *inter alia*, the market conditions, the potential length of time which may be required to complete the Proposed Acquisition and to thereafter fully and successfully integrate business of the Target Companies with the Group's existing business and expansion thereof, the Board is of the view that the Company should reassess the Proposed Acquisition and to reconsider, amongst others, any such corporate actions including any potential plans in relation to the Business Expansion, at an appropriate juncture.
- 2.2 In connection with the foregoing, pursuant to various discussions between the Parties, the Parties to the SPAs have mutually agreed to enter into and have on 29 December 2023, entered into, termination agreements to terminate the respective SPAs and the transactions contemplated thereunder (the "**SPA Termination Agreements**").

3. TERMINATION OF THE RIGHTS CUM WARRANTS ISSUE

- 3.1 Notwithstanding that the proposed Rights cum Warrants Issue is not dependent on the completion of the Proposed Acquisition, it is noted that the use of proceeds from the Rights cum Warrants Issue included either to operate the Hotel and the Land Lots, or, in the alternative, to fund the Business Expansion of the Company.
- 3.2 Given that the Company intends to reconsider, amongst others, any such corporate actions, including any potential plans in relation to the Business Expansion as described in paragraph 2 above, the Company has decided to terminate the proposal to carry out a Rights cum Warrants Issue (the "**Rights cum Warrants Issue Termination**"). The Company would reassess various options available to it, before determining the next course of action, including if any fund raising is necessary to implement any corporate action. The Company will keep Shareholders updated as and when there are material developments.

4. DOCUMENTS AVAILABELE FOR INSPECTION

A copy each of the SPA Termination Agreements is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 201 Henderson Road, #05-19, Apex @ Henderson, Singapore 159545 for a period of three (3) months from the date of this announcement.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, none of the Directors or the controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the SPA Termination Agreements and the Rights cum Warrants Issue Termination, other than through their respective directorships and/or shareholdings in the Company.

6. DIRECTORS' RESPONSIBILITY STATEMENT

- 6.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the SPA Termination Agreements, the Rights cum Warrants Issue Termination and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.
- 6.2 Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. CAUTIONARY STATEMENT

- 7.1 Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.
- 7.2 The Company will make further announcements as and when there are any material developments.

BY ORDER OF THE BOARD OF
Southern Archipelago Ltd.

Siaw Lu Howe
Non-Executive Chairman
29 December 2023