

BLUMONT GROUP LTD.
(Company Registration No. 199302554G)
(Incorporated in Singapore)

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- (I) **PROPOSED ACQUISITION OF (A) 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL IN EACH OF MENDOL INVESTMENTS PTE. LTD. AND HINAKO INVESTMENTS PTE. LTD. AND (B) 60% OF THE ISSUED AND PAID-UP SHARE CAPITAL IN EACH OF PRIME HOLDINGS PTE. LTD., ENGGANO INVESTMENTS PTE. LTD., MESAWAK INVESTMENTS PTE. LTD.; AND**
- (II) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**
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1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Blumont Group Ltd. ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce the following corporate proposal comprising:

- (a) the proposed acquisition ("**Acquisition**") of (i) 100% of the issued and paid-up share capital in Mendol Investments Pte. Ltd. and Hinako Investments Pte. Ltd. and (ii) 60% of the issued and paid-up share capital in Prime Holdings Pte. Ltd., Enggano Investments Pte. Ltd., Mesawak Investments Pte. Ltd. (the companies stated in (i) and (ii) are collectively, "**Target Companies**" and the total equity interest stated in (i) and (ii) are collectively, "**Sale Shares**") for an aggregate consideration of S\$78,363,393 to be satisfied by the allotment and issue of an aggregate 15,672,678,600 new ordinary shares in the capital of the Company ("**Shares**") at the issue price of S\$0.005 per new Share; and
- (b) the proposed renounceable non-underwritten rights cum warrants issue ("**Rights cum Warrants Issue**"):
- (i) (assuming completion of the Acquisition) of up to 10,810,860,196 new Shares ("**Rights Shares**") with up to 32,432,580,588 free detachable and transferable warrants ("**Warrants**"); or
- (ii) (in the event the Acquisition is not completed) of up to 6,892,690,546 Rights Shares with up to 20,678,071,638 Warrants,

the principal terms of which are summarised below:

Principal Terms of the Rights cum Warrants Issue	Description
Allotment Ratio	One (1) Rights Share for every four (4) existing Shares held by Entitled Shareholders (as defined herein) as at a record date to be determined by the Board (" Record Date "), fractional entitlements to be disregarded, and three (3) Warrants for every one (1) Rights Share subscribed.
Price	Issue price of S\$0.001 per Rights Share (" Issue Price ") and exercise price of S\$0.001 per Warrant (" Exercise Price ") for each new Share (" Warrant Shares ").
Discount	The Issue Price of S\$0.001 per Rights Share and Exercise Price of S\$0.001 per Warrant Share represents:

Principal Terms of the Rights cum Warrants Issue	Description
	<p>(a) a discount of approximately 80.0% to the closing price of S\$0.005 per Share on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 September 2021, being the last Market Day¹ on which the Shares were traded on the SGX-ST immediately prior to the Company's trading halt on 1 October 2021 and prior to the date of this announcement ("Last Traded Price");</p> <p>(b) a discount of approximately 76.2% to the theoretical ex-rights price² of approximately S\$0.0042 per Share based on the Last Traded Price and the enlarged share capital of the Company assuming completion of the Rights cum Warrants Issue and completion of the Acquisition; and</p> <p>(c) a discount of approximately 76.2% to the theoretical ex-rights price³ of approximately S\$0.0042 per Share based on the Last Traded Price and the enlarged share capital of the Company assuming completion of the Rights cum Warrants Issue and the Acquisition does not complete.</p>
Use of Proceeds	Please refer to paragraph 3.10 of this announcement for details on the use of proceeds arising from the Rights cum Warrants Issue.
Purpose of Issue	Please refer to paragraph 3.10 of this announcement for further details.

(collectively "**Corporate Proposal**").

Shareholders' approval for the Corporate Proposal will be sought at an extraordinary general meeting of the Company to be convened ("**EGM**"). Further details will be set out in the circular to be electronically despatched to Shareholders in due course ("**Circular**"). Shareholders of the Company ("**Shareholders**") should note that notwithstanding that Shareholders' approval for the Corporate Proposal will be sought at the same EGM, the Acquisition and the Rights cum Warrants Issue comprising the Corporate Proposal are not inter-conditional.

¹ "**Market Day**" means a day on which the SGX-ST is open for trading in securities.

² Theoretical ex-rights price of each Share is calculated based on the following formula, assuming completion of the Rights cum Warrants Issue and completion of the Acquisition. For the avoidance of doubt, the following formula does not include the Warrant Shares to be issued from the exercise of the Warrants:

$$\text{Theoretical ex-rights price} = \frac{\text{Theoretical market capitalisation of the Company based on the Last Traded Price and completion of the Acquisition} + \text{gross proceeds from the Rights cum Warrants Issue}}{\text{Number of Shares after completion of the Rights cum Warrants Issue and completion of the Acquisition}}$$

³ Theoretical ex-rights price of each Share is calculated based on the following formula, assuming completion of the Rights cum Warrants Issue and the Acquisition does not complete. For the avoidance of doubt, the following formula does not include the Warrant Shares to be issued from the exercise of the Warrants:

$$\text{Theoretical ex-rights price} = \frac{\text{Market capitalisation of the Company based on the Last Traded Price} + \text{gross proceeds from the Rights cum Warrants Issue}}{\text{Number of Shares after completion of the Rights cum Warrants Issue and the Acquisition does not complete}}$$

UOB Kay Hian Private Limited has been engaged by the Company as financial adviser and manager in relation to the Acquisition and Rights cum Warrants Issue respectively. Rajah & Tann Singapore LLP is acting as counsel to the Company in relation to the Corporate Proposal.

2. ACQUISITION

2.1 Share Sale Agreements

Subsequent to the announcement made by the Company on 3 August 2021, the Company has on the date hereof entered into:

- (a) a share sale agreement ("**Mendol SPA**") with all the shareholders⁴ of Mendol Investments Pte. Ltd. ("**Mendol**", and together with its subsidiaries, "**Mendol Group**") ("**Mendol Vendors**") to acquire 100% of the issued shares in Mendol ("**Mendol Acquisition**"); and
- (b) a share sale agreement ("**Seychelles SPA**") with Tiara Gateway Pte. Ltd. ("**Tiara Vendor**"), being one of the vendors in the Mendol SPA, to acquire (i) 100% of the issued shares in Hinako Investments Pte. Ltd. and (ii) 60% of the issued shares in Prime Holdings Pte. Ltd., Enggano Investments Pte. Ltd. and Mesawak Investments Pte. Ltd. (the companies in (i) and (ii) are collectively, "**Seychelles Companies**" and together with their subsidiaries, "**Seychelles Group**") (the acquisitions in (i) and (ii) are collectively "**Seychelles Acquisition**"),

(collectively "**SPAs**").

2.2 Mendol Group

Mendol was incorporated in the Republic of Seychelles on 18 March 2014, and is a private company limited by shares, with a share capital of US\$4,868,394 comprising 4,868,394 shares which are held by the Mendol Vendors in the following proportion:

Shareholders of Mendol	Number of ordinary shares held in Mendol	Percentage of shares to total issued capital (%)
Tiara Gateway Pte. Ltd.	2,385,514	49.0
Strategic Premium Pte. Ltd.	662,929	13.6
Luminous Global Inc.	1,323,375	27.2
Genprop Pte. Ltd.	248,288	5.1
Wong Ho Kit	104,281	2.1
Sim Swee Yoke	81,935	1.7
Golden Prosperity LLP	62,072	1.3
Total	4,868,394	100.0

Mendol is the holding company of two Singapore companies, Mendol Alpha Pte. Ltd. and Mendol Beta Pte. Ltd., which are in turn holding companies of one Indonesian company, PT Mendol Estate.

⁴ 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).

PT Mendol Estate is the legal owner of 100.0% of Natra Bintan, A Tribute Portfolio Resort ("Hotel"), which is located within a waterfront resort development known as Treasure Bay Bintan located in Lagoi, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia.

The Hotel comprises 100 luxury glamping tents and leisure and food and beverage facilities that sits on a site measuring approximately 52,031 square metres of land.

2.3 Seychelles Group

The Tiara Vendor holds 100% of the following Seychelles Companies:

- (a) Prime Holdings Pte. Ltd., which was incorporated in the Republic of Seychelles on 16 September 2008, and is an international business company, with a share capital of US\$1 comprising one issued share which is held by the Tiara Vendor;
- (b) Enggano Investments Pte. Ltd., which was incorporated in the Republic of Seychelles on 18 March 2014, and is an international business company, with a share capital of US\$1 comprising one issued share which is held by the Tiara Vendor;
- (c) Mesawak Investments Pte. Ltd., which was incorporated in the Republic of Seychelles on 18 March 2014, and is an international business company, with a share capital of US\$1 comprising one issued share which is held by the Tiara Vendor; and
- (d) Hinako Investments Pte. Ltd., which was incorporated in the Republic of Seychelles on 18 March 2014, and is an international business company, with a share capital of US\$1 comprising one issued share which is held by the Tiara Vendor.

The Seychelles Companies are the holding companies of eight Singapore companies, which are in turn holding companies of five Indonesian companies.

The five Indonesian companies own:

- (i) the land lots measuring an aggregate of approximately 82,978 square metres which are in close proximity to the Hotel, and the properties and assets thereon; and
 - (ii) the land lot measuring approximately 52,031 square metres which the Hotel sits on,
- (the land lots in (i) and (ii) are collectively "**Land Lots**").

2.4 Financial Information

Based on Mendol Group's unaudited management accounts for the six months period ended 30 June 2021, Mendol Group's net loss after tax was approximately S\$0.8 million, and its adjusted net assets was approximately S\$29.6 million as at 30 June 2021.

Based on Seychelles Group's unaudited management accounts for the six months period ended 30 June 2021, Seychelles Group's net loss after tax was approximately S\$0.8 million, and its adjusted net assets was approximately S\$73.0 million as at 30 June 2021.

Based on the valuation certificate dated 30 September 2021 ("**Valuation Report**") issued by KJPP Rengganis, Hamid & Rekan in strategic alliance with CBRE ("**Valuer**") which was jointly commissioned by Landmarks Berhad and the Company, by using an exchange rate of S\$1 : Indonesian Rupiah 10,572, the market value and investment value of the Hotel are S\$26,010,000 and S\$30,320,000 respectively as at 24 September 2021 based primarily on the income approach and cost approach and the market value and investment value of the Land Lots are S\$42,927,000 and S\$68,085,000 respectively as at 24 September 2021 based primarily on the market approach and income approach.

2.5 Principal Terms

(A) Consideration

The consideration ("**Consideration**") for the Acquisition is S\$78,363,393, comprising S\$29,338,843 for the Mendol Acquisition and S\$49,024,550 for the Seychelles Acquisition.

The Consideration for the Mendol Acquisition was arrived at on a willing buyer and willing seller basis after arm's length negotiations between the Company and the Mendol Vendors, and was agreed on the basis of (a) the adjusted net assets of the Mendol Group as at 30 June 2021 derived from the management accounts of Mendol for the six months period ended 30 June 2021, which were prepared and adjusted taking into account the valuation of the assets of the Mendol Group given in the Valuation Report and (b) a discount of S\$285,641 to take into consideration the losses likely to be incurred due to impact from the COVID-19 pandemic pending completion of the Acquisition ("**Completion**").

The Consideration for the Seychelles Acquisition was arrived at on a willing buyer and willing seller basis after arm's length negotiations between the Company and the Tiara Vendor, and was agreed on the basis of (a) the adjusted net assets of the Seychelles Group (excluding the attractions operating equipment owned by the Seychelles Group ("**Attractions Operating Equipment**")) as at 30 June 2021 derived from the management accounts of the Seychelles Companies for the six months period ended 30 June 2021, which were prepared and adjusted taking into account the valuation of the assets of the Seychelles Group given in the Valuation Report, (b) a discount of S\$255,669 to take into consideration the losses likely to be incurred due to impact from the COVID-19 pandemic pending Completion and (c) the agreed price of S\$1,000,000 for the Attractions Operating Equipment.

The Consideration will be satisfied by the Company as follows:

- (a) S\$29,338,843 by the allotment and issue of 5,867,768,600 new Shares to the Mendol Vendors at the issue price of S\$0.005 on the date of Completion; and
- (b) S\$49,024,550 by the allotment and issue of 9,804,910,000 new Shares to Tiara Vendor at the issue price of S\$0.005 on the date of Completion,

(collectively "**Consideration Shares**").

The issue price for the Consideration Shares is equivalent to the Last Traded Price.

The enlarged share capital of the Company will consist of 43,243,440,783 Shares following Completion ("**Enlarged Share Capital**"). As at the date of this announcement, the Consideration Shares represent approximately 56.8% of the existing share capital of the Company of 27,570,762,183 Shares ("**Existing Share Capital**") and approximately 36.2% of the Enlarged Share Capital of the Company.

Section 161 of the Companies Act and Rule 805(1) of the Listing Manual provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Listing Manual.

The Company will seek specific Shareholder's approval for the allotment and issue of Consideration Shares at the EGM in accordance with Rule 805(1) of the Listing Manual. The Company will also make an application to the SGX-ST as soon as reasonably practicable for the listing of, and quotation for, the Consideration Shares on the Main Board and will make the necessary announcement(s) once the approval in-principle for the listing and quotation of the Consideration Shares on the Main Board has been obtained from the SGX-ST.

The Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Shares. The Consideration Shares will be issued to the Mendol Vendors and the Tiara Vendor free from all encumbrances and will carry all rights similar to the existing Shares of the Company, except that they will not rank for any dividend, rights, allotment or other distribution, the record date for which falls on or before the date of allotment and issue of the Consideration Shares.

A breakdown of the Consideration Shares to be allotted and issued to each of the Mendol Vendors and the Tiara Vendor is set out below:

Vendor	No. of Consideration Shares	Percentage Shareholding of the Enlarged Share Capital
Tiara Vendor	12,680,116,600 comprising 2,875,206,600 Consideration Shares under the Mendol SPA and 9,804,910,000 Consideration under the Seychelles SPA	29.32
Strategic Premium Pte. Ltd.	799,014,102	1.85
Luminous Global Inc.	1,595,035,498	3.69
Genprop Pte. Ltd.	299,256,200	0.69
Wong Ho Kit	125,687,652	0.29
Sim Swee Yoke	98,754,498	0.23
Golden Prosperity LLP	74,814,050	0.17
Total	15,672,678,600	36.24

(B) Conditions Precedent

Completion of the Acquisition is subject to certain conditions precedent being satisfied or waived in accordance with the SPAs, including, *inter alia*, the following:

- (a) the Company having undertaken and having completed its due diligence investigations in respect of the Target Companies, and the results of such due diligence investigation being satisfactory to the Company in its absolute discretion;
- (b) the execution by the parties of a supplemental deed of undertakings, warranties and indemnities in respect of the Target Companies, in form and substance agreed by the parties;
- (c) shareholders' approval of Landmarks Berhad for the Acquisition;
- (d) Shareholders' approval of the Company for the Acquisition;
- (e) the approval-in-principle of the SGX-ST for the listing of and quotation for the Consideration Shares on Main Board;
- (f) there being no material adverse change affecting the Target Companies since 31 December 2020; and
- (g) all approvals, consents, licences, permits, waivers and exemptions for the Acquisition being granted by third parties.

(C) **Completion**

The Mendol Acquisition and the Seychelles Acquisition are inter-conditional.

Completion of the Acquisition shall be the business day falling five business days after the last in time of the conditions precedent are satisfied or waived (as the case may be) in accordance with the SPAs (or such other date as may be agreed in writing).

On Completion, the Company and the Tiara Vendor will enter into shareholders' agreements in relation to Prime Holdings Pte. Ltd., Enggano Investments Pte. Ltd. and Mesawak Investments Pte. Ltd., further details of which will be set out in the Circular.

If any of the conditions precedent is not satisfied or waived in accordance with the SPAs on or before six months from the date of the SPAs (or such later date as the parties may mutually agree in writing) ("**Cut-Off Date**"), the Company has the right to terminate the SPAs.

(D) **Deemed Interested Person Transaction**

Details of the Interested Person

The Company is an entity at risk within the meaning of Chapter 9 of the SGX-ST Listing Manual ("**Listing Manual**") in relation to the Acquisition. As at the date of this announcement, Mr. Mark Wee Liang Yee ("**MW**") is a controlling Shareholder of the Company with an approximate 51.37% interest in the Company.

MW is also the Executive Deputy Chairman and CEO and a substantial shareholder of Landmarks Berhad with an approximate 23.23% interest (direct interest of 12.86% and deemed interest of 10.37%) in Landmarks Berhad. Landmarks Berhad is the holding company of the Tiara Vendor. In light of the foregoing, while MW is an interested person, the Tiara Vendor does not fall within the definition of an associate of MW under the Listing Manual and accordingly, the Acquisition are not interested person transactions under the Listing Manual.

Notwithstanding the foregoing, in the spirit of complying with Chapter 9 of the Listing Manual, and to demonstrate the exercise of good corporate governance and to provide transparency to Shareholders, the Company will deem the Acquisition as an interested person transaction ("**IPT**") under Chapter 9 of the Listing Manual and will obtain the approval of Shareholders for the Acquisition as an IPT.

Value of Deemed IPT

The value of the deemed IPT is approximately S\$63.4 million (consisting of the Consideration Shares to be issued to the Tiara Vendor), being the consideration payable by the Company for the Tiara Vendor's shares in Mendol and the Seychelles Companies, and represents approximately 2,125.53% of the Group's latest audited NTA of approximately S\$3.0 million as at 31 December 2020.

(E) **Total Value of Interested Person Transactions**

The Group has entered into interested person transactions (excluding transactions which were less than S\$100,000) with Ultimate Horizon Pte Ltd, a controlling shareholder of the Company holding 29.49% of the Existing Share Capital, for the current financial year ending 31 December 2021 ("**FY2021**") amounting to S\$144,970, which comprise the aggregate interest payable on the loans to the Company from Ultimate Horizon Pte Ltd, further details of which are set out in the Company's announcement dated 9 September 2021.

Save as disclosed above and for the Acquisition, and excluding transactions which were less than S\$100,000, during the course of FY2021:

- (a) there were no other interested person transactions entered into by the Group with MW

and his associates; and

- (b) there were no other interested person transactions entered into by the Group and other interested persons.

Independent Financial Adviser

The Company has appointed Xandar Capital Pte. Ltd. as the independent financial adviser ("IFA") to provide an opinion letter as to whether the Acquisition, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. A copy of the letter from the IFA will be set out in the Circular.

Audit Committee's Statement

The audit committee of the Company will form its view as to whether the Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders after considering the IFA's opinion to be obtained in due course. The audit committee's view will be set out in the Circular.

(F) Rationale

As stated in the Company's announcement dated 27 April 2021, the Company had made a considered inroad into the hospitality sector in Singapore by the acquisition of a 27% minority stake in Labrador Hill Pte. Ltd., to enable the Company the opportunity to gain access to the hospitality industry and trends, including post-pandemic demands and opportunities. The Company's entry into the SPAs represents the Company's further venture into the hospitality sector.

The Board believes that the Acquisition is in the best interests of the Group and is in line with the Group's business strategies and to generate value for Shareholders.

The Company is acquiring a majority stake in the Mendol Group and the Seychelles Group, which hold assets which have the potential for development into an integrated resort with parks. Following Completion, the Target Companies and their respective subsidiaries will be subsidiaries of the Company. This Company believes these industries will show strong recovery in the post-pandemic economy and the Acquisition will enable the Company to capitalise on post-pandemic demands and opportunities, enhancing the overall profile of the Group to investors and stakeholders. Consistent with the above rationale, and as part of the Acquisition, the Company will seek Shareholders' approval to diversify into the hospitality and wellness business.

(G) Financial Effects

The proforma financial effects of the Acquisition on the share capital of the Company, net tangible assets attributable to the owners of the Company ("NTA") per share and the loss per share ("LPS") of the Group are set out below.

The proforma financial effects have been prepared based on: (a) the audited financial results of the Group for the financial year ended 31 December 2020; and (b) the unaudited financial results of Mendol Group and Seychelles Group for the financial year ended 31 December 2020. The proforma financial effects are purely for illustration purposes only and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

Share Capital

Share capital	Before Acquisition	After Acquisition
Total number of issued shares	27,570,762,183	43,243,440,783 ⁽¹⁾

Total issued and paid-up capital (S\$'000)	127,339	205,702
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Note:

(1) Pursuant to the allotment and issue of the Consideration Shares.

NTA

For illustrative purposes only, the proforma financial effects of the Acquisition on the Group's NTA per share, assuming that the Acquisition had been completed on 31 December 2020, being the end of the most recently completed financial year, are set out below:

NTA	Before Acquisition	After Acquisition
NTA (S\$'000)	2,983	78,718
Number of issued shares	27,570,762,183	43,243,440,783 ⁽¹⁾
NTA per Share (cents)	0.011	0.182

Note:

(1) Pursuant to the allotment and issue of the Consideration Shares.

LPS

For illustrative purposes only, the proforma financial effects of the Acquisition on the consolidated earnings of the Group, assuming that the Acquisition had been completed on 1 January 2020, being the beginning of the most recently completed financial year, are set out below:

LPS	Before Acquisition	After Acquisition
Loss attributable to the owners of the Company (S\$'000)	378	1,410
Weighted average number of issued shares	27,570,762,183	43,243,440,783 ⁽¹⁾
LPS – Basic (cents)	0.001	0.003

Note:

(1) Pursuant to the allotment and issue of the Consideration Shares.

(H) Relative Figures Computed on the Bases Set Out in Rule 1006 of the Listing Manual

Relative figures of the Acquisition under Listing Rule 1006 of the Listing Manual:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net profits/(losses) ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits	(445.8)% ⁽²⁾
(c)	The aggregate value of the consideration given or received,	56.8% ⁽³⁾

	compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	56.8% ⁽⁴⁾

Notes:

- (1) This basis is not applicable to the Acquisition.
- (2) Pursuant to Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the aggregate unaudited net losses attributable to the Sale Shares for the six months period ended 30 June 2021 and the unaudited consolidated net profits of the Group for the six months period ended 30 June 2021, being approximately S\$1.3 million and S\$0.3 million, respectively.
- (3) Based on the Consideration and market capitalisation of the Company of approximately S\$137.9 million as at the close of trading on 30 September 2021.
- (4) The number of Consideration Shares to be issued by the Company as consideration for the Acquisition is 15,672,678,600 new Shares. As at the date of this announcement, the Company has 27,570,762,183 Shares in issue.

Based on the above figures, the Acquisition constitutes a "major transaction" under Rule 1014 of the Listing Manual, and in respect of the negative relative figure arising from the computation under Rule 1006(b), the Company will in accordance with Practice Note 10.1 of the Listing Manual, seek guidance from the SGX-ST. The Company will therefore be seeking approval of Shareholders at the EGM to be convened.

3. RIGHTS CUM WARRANTS ISSUE

3.1 Issue Price and Exercise Price

The Issue Price of S\$0.001 per Rights Share and Exercise Price of S\$0.001 per Warrant Share represents a discount of approximately 80.0% to the Last Traded Price.

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Board may, in its absolute discretion, deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in an offer information statement ("**Offer Information Statement**") which will be lodged with the Monetary Authority of Singapore ("**Authority**") and electronically despatched to the Entitled Shareholders (as defined below) in due course.

3.2 Basis of Provisional Allotment

The Rights cum Warrants Issue will be made on a renounceable non-underwritten basis to all Shareholders who are eligible to participate in the Rights cum Warrants Issue ("**Entitled Shareholders**"), on the basis of one (1) Rights Share for every four (4) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, and three (3) Warrants for every one (1) Rights Share subscribed.

3.3 Size of the Rights cum Warrants Issue

As at the date of this announcement, the Company has an Existing Share Capital comprising 27,570,762,183 Shares and 1,160,000,000 outstanding options under the Company's Employee Share Option Scheme 2013 ("**Options**"), which are exercisable not earlier than the first anniversary of 17 June 2021, being the date of grant of the Options.

Assuming Completion of the Acquisition and none of the Options are exercised, the Company will have an Enlarged Share Capital comprising 43,243,440,783 Shares.
For illustration purposes only:

- (a) based on the Existing Share Capital:
 - (i) assuming 100% of the Rights cum Warrants Issue is subscribed, 6,892,690,546 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 34,463,452,729 Shares, the Company will receive net proceeds (after deducting estimated costs and expenses of approximately S\$0.4 million for the Rights cum Warrants Issue and without taking into account the proceeds from the exercise of the Warrants) ("**Net Proceeds**") of approximately S\$6.5 million;
 - (ii) assuming 75% of the Rights cum Warrants Issue is subscribed, 5,169,517,910 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 32,740,280,093 Shares, the Company will receive Net Proceeds of approximately S\$4.7 million;
 - (iii) assuming 50% of the Rights cum Warrants Issue is subscribed, 3,446,345,273 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 31,017,107,456 Shares, the Company will receive Net Proceeds of approximately S\$3.0 million; and
 - (iv) assuming 25% of the Rights cum Warrants Issue is subscribed, 1,723,172,637 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 29,293,934,820 Shares, the Company will receive Net Proceeds of approximately S\$1.3 million; and
- (b) based on the Enlarged Share Capital:
 - (i) assuming 100% of the Rights cum Warrants Issue is subscribed, 10,810,860,196 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 54,054,300,979 Shares, the Company will receive Net Proceeds of approximately S\$10.4 million;
 - (ii) assuming 75% of the Rights cum Warrants Issue is subscribed, 8,108,145,147 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 51,351,585,930 Shares, the Company will receive Net Proceeds of approximately S\$7.7 million;
 - (iii) assuming 50% of the Rights cum Warrants Issue is subscribed, 5,405,430,098 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 48,648,870,881 Shares, the Company will receive Net Proceeds of approximately S\$5.0 million; and
 - (iv) assuming 25% of the Rights cum Warrants Issue is subscribed, 2,702,715,049 Rights Shares with Warrants will be issued resulting in share capital of the Company increasing to 45,946,155,832 Shares, the Company will receive Net Proceeds of approximately S\$2.3 million.

3.4 Principal Terms of the Warrants

The Warrants will be issued free with the Rights Shares on the basis of three (3) Warrants for every one (1) Rights Share successfully subscribed for.

The Warrants will be immediately detachable from the Rights Shares upon issue and will be issued in registered form and constituted in an instrument by way of a deed poll ("**Deed Poll**") that sets out the terms and conditions of the Warrants and which may from time to time be amended or supplemented.

The Warrants will be listed and traded on the SGX-ST under the book-entry (scripless) settlement system, upon the listing of and quotation for the Warrants on the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require.

Each Warrant will, subject to the terms and conditions to be set out in the Deed Poll, carry the right to subscribe for one (1) Warrant Share at the Exercise Price within the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth anniversary of the date of issue of the Warrants ("**Exercise Period**").

If such date falls on a day on which the register of members of the Company is closed or is not a market day, the last day of the Exercise Period shall be the immediately preceding market day on which the register of members of the Company remains open, but excluding such period(s) during which the register of warrant holders of the Company may be closed, subject to the terms and conditions of the Warrants as set out in the Deed Poll.

The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company. Any material amendment to the terms of the Warrants after issue to the advantage of the holders of such Warrants shall be approved by Shareholders, except where the amendment is made pursuant to the terms of the Warrants.

The Company shall, not later than one month before the expiry of the Exercise Period ("**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one month before the Expiry Date, take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).

3.5 Ranking of the Rights Shares and Warrant Shares

The Rights Shares will be payable in full on acceptance and/or application and shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the Rights Shares.

The Warrant Shares arising from the exercise of the Warrants will be payable in full upon the exercise of the Warrants and shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the relevant exercise date of the Warrants.

For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered with the Company, the Company's share registrar, B.A.C.S. Private Limited ("**Share Registrar**"), or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3.6 Option to scale down

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary after taking into account the Whitewash Resolution (as defined herein) and upon approval of the SGX-ST, scale down a Shareholder's application to subscribe for the Rights cum Warrants Issue to:

- (a) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the SGX-ST Listing Manual, unless prior approval of the Shareholders is obtained in a general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with it (as defined in The Singapore Code of Take-overs and Mergers ("**Take-over Code**")) in the position of incurring a mandatory bid obligation under the Take-over Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully.

3.7 Whitewash Resolution

Assuming completion of the Acquisition, based on the Enlarged Share Capital, MW will hold approximately 32.75% of the issued Shares and Tiara Vendor will hold approximately 29.32% of the issued Shares. MW and Tiara Vendor are presumed to be parties acting in concert under the Take-over Code. In the event MW or Tiara Vendor shall subscribe for their entitlements in respect of the Rights Shares with Warrants, they could be subject to an obligation under Rule 14.1 of the Take-over Code to make a mandatory general offer to all Shareholders of the Company in respect of Shares and convertible securities held by such Shareholders.

Accordingly, the Company will be making an application to the Securities Industry Council ("**SIC**") under Appendix 1 of the Take-over Code to seek a waiver from independent Shareholders of the Company to waive their rights to receive a mandatory general offer from MW and/or Tiara Vendor arising from the allotment and issue of Shares pursuant to the Corporate Proposal ("**Whitewash Resolution**").

The Company has appointed Xandar Capital Pte. Ltd. as the independent financial adviser to advise the Directors who are considered independent for the purposes of making the recommendation to the independent Shareholders of the Company in relation to the Whitewash Resolution for their approval at the EGM. Further details of the Whitewash Resolution being sought, and the advice of the independent financial adviser, will be set out in the Circular.

For the avoidance of doubt, in the event that the Acquisition is not completed but the Rights cum Warrants Issue is carried out, based on the Existing Share Capital and assuming that 100% of the Rights cum Warrants Issue is subscribed on a pro-rata basis, no Whitewash Resolution would be required.

3.8 No Undertaking

As at the date of this announcement, the Company has not received any undertaking from any of its substantial Shareholders to take up their respective Rights Shares with Warrants.

The Company will update Shareholders via SGXNET as and when it has received any undertaking from any Shareholder and in any case, prior to the lodgement and despatch of the Offer Information Statement.

3.9 Non-Underwritten Rights cum Warrants Issue

The Rights cum Warrants Issue will not be underwritten. The Company has decided to undertake the Rights cum Warrants Issue on a non-underwritten basis in view of the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission.

3.10 Rationale and Use of Proceeds

The Company is undertaking the Rights cum Warrants Issue to raise funds to strengthen the Group's financial position and expand the capital base of the Group. In view of the current financial circumstances, the Company believes that the Rights cum Warrants Issue will strengthen the Company's balance sheet, and a stronger financial position will also allow the Group to seize opportunities through the expansion of business.

As disclosed in the Company's announcement dated 27 April 2021, in light of the current Covid-19 pandemic and its ongoing impact, the Board assessed that it is in the interests of the Company to enter into the hospitality business only on a smaller scale at this juncture, with a small investment of S\$720,000 by the Company in a minority stake of 27% in Labrador Hill Pte Ltd, with an option to acquire another 24% subject to certain conditions and factors, among others. The Board believes that such acquisition and option granted to the Company, would provide the Company with an opportunity to gain access to the hospitality industry and trends, including post-pandemic demands and opportunities, and to consider the possible course of action to be undertaken thereafter. The Company's entry into the SPAs represents the Company's further venture into the hospitality sector.

The Rights cum Warrants Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company. As and when the Warrants are exercised, the Group's financial position will be improved further.

The Company intends to utilise the Net Proceeds for the following purposes, details of the breakdown are set out below:

- (a) if the Acquisition is completed:
 - (i) 75% to operate the Hotel and develop the Land Lots;
 - (ii) 15% for loan repayments; and
 - (iii) the balance 10% for general corporate and working capital requirements of the Group; and
- (b) if the Acquisition is not completed:
 - (i) 60% to support the expansion of the Company's business activities ("**Business Expansion**") including but not limited to capital improvements and making strategic investments and/or opportunistic acquisitions;
 - (ii) 25% for loan repayments; and
 - (iii) the balance 15% for general corporate and working capital requirements of the Group.

Assuming (a) (if the Acquisition is completed and the Rights Shares are fully subscribed) all the 32,432,580,588 Warrants to be issued are exercised and (b) (if the Acquisition is not completed and the Rights Shares are fully subscribed) all the 20,678,071,638 Warrants to be issued are exercised, the Company will raise gross proceeds ("**Warrant Proceeds**") of approximately S\$32.4 million and S\$20.7 million respectively. The Company intends to utilise the Warrant Proceeds for its Business Expansion, loan repayments and general corporate and working capital requirements and/or such other purposes as the Directors may in their absolute discretion deem fit.

Pending the deployment of the Net Proceeds and the Warrant Proceeds (as and when the Warrants are exercised), such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds and the Warrant Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds and the Warrant Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds and the Warrant Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Net

Proceeds and the Warrant Proceeds, the Company will announce the reasons for such deviation.

Where the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

3.11 Approvals

The Rights cum Warrants Issue is subject to, *inter alia*, the following:

- (a) Shareholders' approval of the Company being obtained for the Rights cum Warrants Issue, including allotment and issue of the Rights Shares, the Warrants and the Warrant Shares;
- (b) a whitewash waiver being granted by SIC, waiving the obligation of MW or Tiara Vendor to make a mandatory offer for the Shares, which may arise pursuant to the subscription for their entitlements in respect of the Rights Shares with Warrants;
- (c) Whitewash Resolution being approved;
- (d) the approval in-principle of the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on the SGX-ST;
- (e) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights cum Warrants Issue, by the Company with the Authority; and
- (f) all approvals, consents, licences, permits, waivers and exemptions for the Rights cum Warrants Issue being granted by third parties.

The Company will be applying to the SGX-ST to seek its approval in-principle for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on the SGX-ST.

3.12 Eligibility to Participate

The Company proposes to provisionally allot the Rights Shares with Warrants to the Entitled Shareholders, comprising Entitled Depositors and Entitled Scripholders (each as defined herein), on the basis of their shareholdings as at the Record Date. Entitled Shareholders will be entitled to participate in the Rights cum Warrants Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Registrar, as the case may be.

3.13 Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Account**") with CDP and whose registered addresses with CDP are in Singapore as at the Record Date or who have provided CDP with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three Market Days prior to the Record Date ("**Entitled Depositors**").

Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Record Date.

3.14 Entitled Scripholders

Entitled Scripholders are Shareholders whose (a) share certificates are not deposited with CDP, (b) Shares are registered in their own names, and (c) registered addresses with the Share

Registrar are in Singapore as at the Record Date or who have provided the Share Registrar with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three Market Days prior to the Record Date, and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date ("**Entitled Scripholders**").

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares with Warrants.

3.15 Foreign Shareholders

The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three Market Days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**") and accordingly, the Rights Shares with Warrants will NOT be offered to Foreign Shareholders.

The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue. As Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue, no provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application for any excess Rights Shares with Warrants therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company and/or CDP in connection therewith.

Where the provisional allotments of Rights Shares with Warrants are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith. If such

provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for excess Rights Shares with Warrants or disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 OR (II) B.A.C.S. PRIVATE LIMITED AT 8 ROBINSON ROAD, #03-00 ASO BUILDING, SINGAPORE 048544, IN EACH CASE, AT LEAST THREE MARKET DAYS PRIOR TO THE RECORD DATE.

3.16 Central Provident Fund ("CPF") Shareholders

Persons who bought their Shares previously using their CPF account savings ("**CPF Funds**") must use CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable CPF rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept the Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

3.17 Supplementary Retirement Scheme ("SRS") Shareholders

Persons who bought their Shares previously under the SRS must use monies standing to the credit of their respective SRS accounts for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable SRS rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using SRS monies will need to instruct their respective approved banks, where they hold their accounts under the SRS, to accept the Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

3.18 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares with Warrants and will also be eligible to apply for Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Entitlements which are not allotted or taken up for any reason will be aggregated and issued to satisfy applications, if any, for excess Rights Shares with Warrants or otherwise disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company.

In the allotment of excess Rights Shares with Warrants, preference will be given to Entitled

Shareholders for rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares with Warrants and for the applications for excess Rights Shares with Warrants, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

3.19 Opinion of Directors

The Directors are of the opinion that after taking into consideration the Group's present bank facilities and the operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights cum Warrants Issue shall be undertaken for the reasons set out in paragraph 3.10 of this announcement.

The Directors are of the opinion, after taking into consideration the rationale for the Rights cum Warrants Issue as set out in paragraph 3.10 of this announcement, that the Rights cum Warrants Issue is in the interest of the Company.

3.20 Notification Under Section 309B of the Securities And Futures Act

The Consideration Shares, Warrants, Rights Shares and Warrant Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Authority's Notice on the Sale of Investment Products (Notice No.: SFA 04-N12) and the Authority's Notice on Recommendations on Investment Products (Notice No.: FAA-N16)).

3.21 Prior Fundraising

The Company has not undertaken any equity fundraising in the past 12 months.

3.22 Offer Information Statement

The Offer Information Statement will be despatched or, as the case may be, disseminated by the Company, together with the application form for the Rights Shares with Warrants and excess Rights Shares with Warrants or the provisional allotment letter, as the case may be, to the Entitled Shareholders in due course.

4. ADJUSTMENTS TO OPTIONS

As at the date of this announcement, the Company does not envisage any adjustments that will be required to be made to the number and/or exercise price of the Options as a result of the Rights Cum Warrants Issue. Further announcement(s) will be made by the Company in respect of such adjustments as and when appropriate (if any).

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed herein, none of the Directors or the controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Corporate Proposal, other than through their respective directorships and/or shareholdings in the Company.

Pursuant to Rule 919 of the Listing Manual, an interested person and any associate of the interested person must abstain from voting on the resolution approving the interested person

transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolution unless specific voting instructions had been given by the Shareholders. Accordingly, MW will abstain, and will ensure that his associates will abstain, from voting on the Acquisition, nor accept any nominations to act as proxy for any Shareholder in approving the Acquisition at the EGM.

Pursuant to Appendix 1 of the Take-over Code, MW will also abstain, and will ensure that parties acting in concert with him will abstain, from voting on the Whitewash Resolution, nor accept any nominations to act as proxy for any Shareholder in approving the Whitewash Resolution at the EGM.

6. DIRECTORS' SERVICE CONTRACTS

On Completion and at all times thereafter during which the Tiara Vendor holds not less than 20% of the Shares, the Company shall, subject to compliance with applicable requirements under its Constitution and the Listing Manual, procure the appointment of a person as nominated by the Tiara Vendor, onto the Board.

Save as disclosed, no person is intended to be appointed as a director of the Company in connection with the Corporate Proposal and no service contract is intended to be entered into between the Company and any such person.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy each of the SPAs and Valuation Report 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 Apex @ Henderson 201 Henderson Road #03-26/27 Singapore 159545 for a period of three months from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6332 9488 prior to making any visits to arrange for a suitable time slot for the inspection.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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 Corporate Proposal and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

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.

9. CAUTIONARY STATEMENT

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.

BY ORDER OF THE BOARD OF
Blumont Group Ltd.

Siaw Lu Howe
Non-Executive Chairman
1 October 2021