BLUMONT GROUP LTD.
(Company Registration Number: 199302554G)
(Incorporated in Singapore)

PROPOSED ACQUISITION OF SAMADHI RETREATS PTE. LTD.
– SALE AND PURCHASE AGREEMENT

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Blumont Group Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to:

(a) the term sheet the Company had entered into with Asaro Federico ("**AF**") on 29 March 2018 in respect of the proposed potential acquisition of 100 ordinary shares, representing the entire issued and paid-up capital of Samadhi Retreats Pte. Ltd. (the "**Target Company**") (the "**Term Sheet**"); and

(b) the amendment letter to the Term Sheet the Company had entered into with AF on 28 May 2018.

2. SALE AND PURCHASE AGREEMENT

2.1 The Board wishes to announce that the Company has entered into a conditional sale and purchase agreement with AF and Baffyn International Corp. ("**BIC**") (AF and BIC, the "**Vendors**" and together with the Company, the "**Parties**" and each a "**Party**") on 16 July 2018 in respect of the proposed acquisition of all the shares representing the entire issued and paid-up capital of the Target Company (the "**Sale Shares**") for an aggregate consideration of S$43.8 million (the "**Purchase Price**") (the "**Proposed Acquisition**") (the "**SPA**").

2.2 The Proposed Acquisition constitutes a major transaction under Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**"), and may change the risk profile of the Company as it represents a diversification of the scope of the existing business of the Group. Accordingly, the Proposed Acquisition is subject to the approval of the shareholders of the Company ("**Shareholders**"). Please refer to Paragraph 7 of this Announcement for further details.

3. INFORMATION ON THE TARGET COMPANY

3.1 As at the date of this Announcement, AF is the sole legal and beneficial owner of the Target Company, which is an investment holding company.

3.2 The Vendors are in the process of consolidating their affiliated businesses and assets, as part of a restructuring exercise for the purpose of the Proposed Acquisition (the "**Presale Restructuring Exercise**"). The Vendors shall, upon completion of the Presale Restructuring Exercise, be the legal and beneficial owners of all the shares representing the entire issued and paid-up capital of the Target Company.

3.3 The Vendors are independent third parties unrelated to any of the Directors or Controlling Shareholders (as defined in the Listing Manual). AF is an Italian businessman who is the founder and Chief Executive Officer of the Target Group (as defined below), and will continue to be involved in the management of the Target Group after Completion (as defined below). BIC is an investment holding company incorporated in the British Virgin Islands, and is beneficially owned by Bryan Nicholas Lee Mun Hei, a Malaysian businessman. As at the date of this Announcement, none of the Vendors have any direct or indirect interest in the Company.

3.4 It is envisaged that the Target Company will, upon completion of the Presale Restructuring Exercise, be the ultimate holding company of the following entities:

No.	Name	Country of Incorporation
(a)	Belum Sdn. Bhd. (*to be incorporated*)	Malaysia
(b)	Japamala Resorts Sdn. Bhd.	Malaysia
(c)	Samadhi Sdn. Bhd.	Malaysia
(d)	Tamarind Restaurants Sdn. Bhd.	Malaysia
(e)	Travels by Samadhi Sdn. Bhd.	Malaysia
(f)	Villa Samadhi Sdn. Bhd.	Malaysia
(g)	Labrador Hill Pte. Ltd.	Singapore
(h)	Samadhi Retreats Pte Ltd	Sri Lanka
(i)	Cheeva Na Tara Company Limited	Thailand

(together with the Target Company, the "**Target Group**").

3.5 The businesses and operations that the Target Group is engaged in as at the date of this Announcement include but are not limited to:

(a) owning, developing, managing and operating luxury residences, hotels, resorts, villas and lodges;

(b) food & beverage operations; and

(c) land tours operations,

in Southeast Asia (collectively, the "**Hospitality Business**").

3.6 Based on the unaudited *pro forma* financial statements of the Target Group for the three (3) months ended 31 March 2018, the net tangible asset value of the Target Group as at 31 March 2018 is

approximately S$1,384,000**,** and the net profits attributable to the Target Group for the three (3) months ended 31 March 2018 is approximately S$233,000.

3.7 Shareholders should note that all information relating to the Target Company, the Target Group and the Vendors in this Paragraph 3 and elsewhere in this Announcement (including the figures representing the financial effects and the relative figures of the Proposed Acquisition set out in Paragraphs 6 and 7 below) was provided by the Vendors, and/or had been computed based on such information provided by the Vendors. The Directors and the Company have not independently verified the accuracy and correctness of such information provided by the Vendors. The sole responsibility of the Directors and the Company for the purpose of such information provided by the Vendors has been to ensure that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context.

3.8 As far as the Directors and the Company are aware, the financial effects and relative figures of the Proposed Acquisition set out in Paragraphs 6 and 7 below are as at the date of this Announcement, true and accurate representations of figures computed based on the information provided by the Vendors. The Company will make such announcements should it be aware of any deviation from the figures set out therein.

4. RATIONALE AND BENEFITS FOR THE PROPOSED ACQUISITION

4.1 As at the date of this Announcement, the existing business of the Group comprises:

(a) investment in transferable securities;

(b) provision of contract sterilisation and polymerisation services for food packaging, medical devices, cosmetic raw materials and consumer products;

(c) development of properties for sale, long-term holding of properties for rental and related income; and

(d) investments in mineral and energy resources projects, entities and companies.

4.2 The Proposed Acquisition is pursuant to the Company's corporate strategy to expand and diversify the scope of the existing business of the Group to include the Hospitality Business (the "**Proposed Diversification**").

4.3 The Proposed Acquisition, if completed, will diversify the Group's current portfolio, reduce the Group's reliance on its existing business and provide the Company with potential additional revenue streams, all of which would improve the Group's future prospects for long term growth and enhance Shareholder value.

5. PRINCIPAL TERMS OF THE SPA

5.1 Sale and Purchase

Pursuant to the SPA, the Company 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 of the Proposed Acquisition ("**Completion**") and thereafter. Following Completion, the Target Company will become a wholly-owned subsidiary of the Company.

5.2 Consideration

(a) The Purchase Price was arrived at after arm's length negotiations between the Vendors and the Company, on a willing-buyer willing-seller basis after taking into account a preliminary indicative estimate of the market value of the Target Group provided by Cushman & Wakefield VHS Pte. Ltd., the independent valuer jointly appointed by the Parties.

(b) The Purchase Price payable by the Company to the Vendors shall be satisfied in the following manner:

(i) S$7.0 million in cash (the "**Cash Consideration**"); and

(ii) S$36.8 million by way of an allotment and issue of 9.2 billion ordinary shares in the issued and paid-up capital of the Company ("**Shares**") (the "**Consideration Shares**"), at an agreed issue price of S$0.004 per Consideration Share (the "**Issue Price**"). The Issue Price was fixed based on the volume weighted average price of S$0.004 per Share for the past 30 calendar days up to 28 March 2018, being one (1) day before the date of the Term Sheet.

(c) The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares as at the date of issue of the Consideration Shares, save that they will not rank for any dividend, rights, allotments or other distributions, the record of which falls on or before the date of completion of the allotment and issue of the Consideration Shares.

(d) Pursuant to Rule 803 of the Listing Manual, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. Additionally, save as provided in Rule 806 of the Listing Manual, Rule 805 of the Listing Manual requires an issuer to obtain the prior approval of shareholders in general meeting for, *inter alia*, the issue of shares. As such, the Company will be seeking Shareholders' approval for the allotment and issue of the Consideration Shares at a general meeting.

(e) The Company intends to use a combination of internal resources, bank borrowings and such other sources as the Board may deem appropriate to finance the Proposed Acquisition.

5.3 **Moratorium**

AF and BIC (and where applicable, their nominee(s)) shall not be entitled to transfer, assign, pledge, grant any option to purchase, grant any option to purchase, grant any security over, encumber or otherwise dispose of, such number of Consideration Shares amounting to:

(a) 20.0% or more of such number of Consideration Shares as may be allotted and issued to each of them, immediately after Completion for a period of six (6) months commencing from the date of Completion; and

(b) 40.0% or more of such number of Consideration Shares as may be allotted and issued to each of them, for a further period of six (6) months commencing after the end of the time period stated in Paragraph 5.3(a) above.

5.4 **Conditions Precedent**

Completion is conditional upon the satisfaction of, *inter alia*, the following conditions precedent:

(a) results of the due diligence (legal, financial or otherwise) conducted:

(i) by the Company on the Target Group being satisfactory to the Company; and

(ii) by the Vendors on the Company being satisfactory to the Vendors;

(b) the entry by AF and Company into a service agreement;

(c) all approvals, waivers or consents under all applicable laws or otherwise (including but not limited to the Listing Manual) and any requirements by the SGX-ST or otherwise being obtained;

(d) if required, approval of Shareholders for the Company's performance of all of its obligations under the SPA and any other ancillary agreements as may be required arising out of or in connection with the Proposed Acquisition, and all transactions contemplated thereunder being obtained;

(e) the approval-in-principle of the SGX-ST for the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST being obtained (and such approval not having been withdrawn or revoked);

(f) the representations and warranties provided by the Vendors under the SPA remaining true, accurate and complete in all respects and not misleading in any respect, as if repeated at any time before and at Completion, by reference to the facts and circumstances then existing, and there being no breaches of any covenants, undertakings and agreements required to be performed or caused to be performed by the Vendors under the SPA on or before the date of Completion;

(g) all applicable consents, as may be necessary or desirable in respect of:

(i) the Proposed Acquisition and all transactions contemplated thereunder (including but not limited to enable the Company to be registered as holder of all of the Sale Shares);

(ii) the implementation of the SPA and all transactions contemplated thereunder; and/or

(iii) the proper carrying on of the Hospitality Business, and/or the ownership, possession, occupation or use of any assets or otherwise,

(collectively, the "**Proposed Transactions**") having been obtained by the Vendors from all relevant governmental agencies, supranational or trade agencies, courts or other regulatory bodies or otherwise on terms acceptable to the Company (in its sole and absolute discretion), and such applicable consents remaining in full force and effect at Completion;

(h) all applicable consents as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement or otherwise to which any of the Vendors or any of the Target Group is a party or by which the any of the Target Group or their assets are bound being obtained by the Vendors and if required to be fulfilled by a particular date, being so fulfilled, and such applicable consents remaining valid and in full force and effect at Completion;

(i) save as disclosed by the Vendors, there being no existing claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry or arbitration or otherwise that is pending or threatened against the Vendors and/or any of the Target Group which would prohibit or otherwise challenge or interfere with any of the Proposed Transactions, and no injunction or order issued by any court, governmental agency or similar body which would prohibit, or restrict any Proposed Transaction;

(j) the Parties not having received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entering into or the consummation of the Proposed Transactions or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;

(k) the completion of the Presale Restructuring Exercise by the Vendors; and

(l) the relevant authorities not having enacted, amended or proposed any applicable laws which would prohibit or restrict the implementation of the Proposed Transactions,

(collectively, the "**Conditions Precedent**").

5.5 **Termination**

The SPA shall be terminated in the event that any of the Conditions Precedent is not fulfilled (or where applicable, waived by mutual agreement in writing of the Parties) on or before 30 November 2018 or such later date as the Parties may agree in writing, and no Party shall have any claim against the other Parties for costs, damages, compensation or otherwise.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Bases and Assumptions

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 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**") or net tangible liabilities ("**NTL**") per Share and earnings or loss per Share ("**EPS**" or "**LPS**") have been prepared based on the following:

(A) audited consolidated financial statements of the Group and the unaudited *pro forma* financial statements of the Target Group for the financial year ended 31 December 2017 ("**FY2017**"), and are subject to the following assumptions:

(i) the financial effect on the Group's NTA/(NTL) per Share is computed based on the assumption that the Proposed Acquisition was completed on 31 December 2017; and

(ii) the financial effect on the Group's LPS is computed based on assumption that the Proposed Acquisition was completed on 1 January 2017; and

(B) unaudited consolidated financial statements of the Group and the unaudited *pro forma* financial statements of the Target Group for the three (3) months ended 31 March 2018, ("**1Q2018**"), and are subject to the following assumptions:

(i) the financial effect on the Group's NTA/(NTL) per Share is computed based on the assumption that the Proposed Acquisition was completed on 31 March 2018; and

(ii) the financial effect on the Group's EPS is computed based on assumption that the Proposed Acquisition was completed on 1 January 2018.

6.2 Financial Effects of the Proposed Acquisition on the NTA or NTL per Share

(A) FY2017

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA/(NTL) (S$'000)	5,719	(2,347)[(1)]
Number of Shares (excluding treasury shares)	27,570,762,183	36,770,762,183
NTA/(NTL) per Share (cents)	0.021	(0.006)

Note:

(1) Please note that the NTL takes into account the Cash Consideration.

(B) 1Q2018

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA/(NTL) (S$'000)	5,734	(1,033)[(1)]
Number of Shares (excluding treasury shares)	27,570,762,183	36,770,762,183
NTA/(NTL) per Share (cents)	0.021	(0.003)

Note:

(1) Please note that the NTL takes into account the Cash Consideration.

6.3 **Financial Effects of the Proposed Acquisition on the LPS or EPS**

(A) FY2017

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss (S$'000)	(2,589)	(2,884)
Number of Shares (excluding treasury shares)	27,570,762,183	36,770,762,183
LPS (cents)	(0.009)	(0.008)

(B) 1Q2018

	Before the Proposed Acquisition	After the Proposed Acquisition
Net earnings (S$'000)	980	1,234
Number of Shares (excluding treasury shares)	27,570,762,183	36,770,762,183
EPS (cents)	0.004	0.003

7. RELATIVE FIGURES FOR THE PROPOSED ACQUISITION

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 relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	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 attributable to the Target Group, compared with the Group's net profits(2)	26.29
(c)	The Purchase Price, compared with the Company's market capitalisation based on the total number of issued Shares (excluding treasury shares)	79.43(3)
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue (excluding treasury shares)	33.37
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable(4)

Notes:

(1) Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets.

(2) Net profits means profit or loss before income tax, minority interests and extraordinary items. The net profits attributable to the Target Group to be acquired are S$254,000, compared with the Group's net profits of S$966,000.

(3) The Company's market capitalisation is based upon a total number of 27,570,762,183 Shares (excluding treasury shares) in issue and the volume weighted average price of S$0.0020 per Share on 13 July 2018, being the last trading day for the Shares prior to the date of the SPA.

(4) Rule 1006(e) of the Listing Manual is only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.

Rule 1014 of the Listing Manual states, *inter alia*, that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20.0%, the transaction is classified as a "major transaction" and must be made conditional upon approval by Shareholders in general meeting.

The relative figures for the Proposed Acquisition as computed on the bases set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual exceed 20.0%. As such, the Proposed Acquisition is classified as a "major transaction" for the purpose of Chapter 10 of the Listing Manual.

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person in relation to the appointment as a Director, in connection with the Proposed Acquisition.

9. CIRCULAR TO SHAREHOLDERS

The Company will convene an extraordinary general meeting ("**EGM**") to seek the approval of Shareholders for the Proposed Acquisition. The Circular containing *inter alia*, further information on the Proposed Acquisition and the Proposed Diversification and enclosing the notice of EGM therewith, will be despatched by the Company to Shareholders in due course.

10. 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.

11. 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.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company at 201 Henderson Road, #03-26/27 Apex @ Henderson, Singapore 159545, for a period of three (3) months from the date of this Announcement.

13. 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
16 July 2018