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

ENTRY INTO TERM SHEET

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or the "**Directors**") of Blumont Group Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 29 March 2018, entered into a term sheet with Asaro Federico (the "**Vendor**" and together with the Company, the "**Parties**") in respect of a proposed potential acquisition of 100 ordinary shares, representing the entire issued and paid-up capital of Samadhi Retreats Pte. Ltd. (the "**Target Company**") for an aggregate consideration which shall not exceed the amount of S$43.8 million (the "**Purchase Price**") (the "**Potential Acquisition**") (the "**Term Sheet**").

1.2 The Term Sheet is binding as to the commercial terms set out therein, subject to negotiation and execution of:

(a) a sale and purchase agreement in respect of the Potential Acquisition; and

(b) any other ancillary agreements as may be required arising out of or in connection with the Potential Acquisition,

(collectively, the "**Definitive Agreements**") in the form and substance satisfactory to the Parties.

2. THE TARGET COMPANY

2.1 The Target Company is a company incorporated in Singapore with an issued and paid-up capital of S$100.00 comprising 100 ordinary shares (the "**Sale Shares**"). As at the date of this Announcement, the Vendor is the sole legal and beneficial owner of the Target Company and is an independent third party unrelated to any of the Directors or controlling shareholders (as defined in the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**")) of the Company.

2.2 The Target Company is an investment holding company, which is in the process of consolidating its affiliated businesses and assets, as part of a restructuring exercise for the purpose of the Potential Acquisition (the "**Restructuring Exercise**").

2.3 It is envisaged that the Target Company will, upon completion of the Restructuring Exercise, be the ultimate holding company of various entities (the Target Company and its subsidiaries (upon completion of the Restructuring Exercise) collectively, the "**Target Group**"). As at the date of this Announcement, the Company has been informed by the Vendor and/or his representatives that the Restructuring Exercise is yet to be completed.

2.4 The Target Group is expected to hold a portfolio of businesses principally engaged in:

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

(b) restaurant operations; and

(c) tourism operations.

in Southeast Asia. The Target Group will also have ownership and development rights to certain real estate in Malaysia and Thailand.

3. RATIONALE FOR THE POTENTIAL ACQUISITION

3.1 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.

3.2 The Potential Acquisition, if proceeded with, 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.

4. PRINCIPAL TERMS SET OUT IN TERM SHEET

The principal terms of the Term Sheet are set out below.

4.1 Sale and Purchase

Pursuant to the Term Sheet, the Company shall agree to 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 Potential Acquisition ("**Completion**"). Following Completion, the Target Company will become a wholly-owned subsidiary of the Company.

4.2 Consideration

(a) The Purchase Price was arrived at after arm’s length negotiations between the Vendor and the Company, on a willing-buyer willing-seller basis after taking into account a preliminary indicative estimate of the market value of the Sale Shares.

(b) The Purchase Price shall be adjusted to the market value of the Sale Shares, as determined by an independent valuation to be undertaken by an internationally recognised independent

valuer (holding a recognised and relevant professional qualification) acceptable to the SGX-ST and jointly appointed by the Parties**.**

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

(i) S$7.0 million in cash; 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.

(d) In the event that any adjustment is required in respect of the Purchase Price, only the number of Consideration Shares to be allotted and issued to the Vendor as consideration for the Sale Shares shall be adjusted accordingly, based on the Issue Price. Notwithstanding any other provisions of the Term Sheet, the Purchase Price shall not in any event exceed S$43.8 million.

4.3 **Conditions Precedent**

Completion of the Potential Acquisition is subject to customary conditions precedent, including but not limited to:

(a) results of the due diligence (legal, financial or otherwise) conducted by each Party being satisfactory to the other Party;

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

(c) if required, approval of shareholders of the Company for the Company's performance of all of its obligations under the Definitive Agreements and all transactions contemplated thereunder being obtained;

(d) 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); and

(e) the representations and warranties provided by the Vendor in the Definitive Agreements remaining true and accurate in all respects and not misleading in any respect.

4.4 **Termination**

The Term Sheet will terminate on the earlier of:

(a) two (2) calendar months from the date of the Term Sheet; and

(b) the date on which the Definitive Agreements are executed.

5. 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 Potential Acquisition.

6. FURTHER ANNOUNCEMENTS

The Company will make such further announcements at the appropriate juncture, upon the execution of the Definitive Agreements and as and when there are material developments in relation to the Potential Acquisition, including all relevant information as may be required pursuant to Chapter 10 of the Listing Manual.

7. 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 the Parties will enter into the Definitive Agreements or 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
29 March 2018