

ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in Singapore)
(Company Registration Number 197501572K)

NON-BINDING TERM SHEET FOR SUBSCRIPTION OF SHARES IN 上海三瑞高分子材料股份有限公司 (SHANGHAI SUNRISE POLYMER MATERIAL CO., LTD.)

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of Abundance International Limited (our “**Company**” and together with our subsidiaries, our “**Group**”) wishes to announce that our Company has on 27 November 2018 entered into a non-binding term sheet (the “**Term Sheet**”) with 上海三瑞高分子材料股份有限公司 (Shanghai Sunrise Polymer Material Co., Ltd.) (the “**Target Company**”) (collectively, the “**Parties**” and each a “**Party**”) pursuant to which our Company will subscribe for new shares to be issued by the Target Company representing 18.18% of the enlarged share capital of the Target Company after completion (the “**Proposed Acquisition**”).
- 1.2 Save for the provisions relating to exclusivity and expenses (further details relating to which are set out in Paragraphs 4.4 and 4.5 below respectively), which shall constitute binding obligations of the Parties whether or not the Proposed Acquisition is completed, no other legally binding obligations will be created pursuant to the Term Sheet until definitive agreements are executed and delivered by all Parties. The Term Sheet is not a commitment to invest or sell, and is conditional upon, *inter alia*, the completion of due diligence, legal review and documentation that is satisfactory to our Company. The terms contained therein are subject to further negotiation and changes.
- 1.3 The Proposed Acquisition is not an interested person transaction as defined under Chapter 9 of Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited Listing Manual.

2. INFORMATION ON THE TARGET COMPANY

The Target Company was incorporated in the People’s Republic of China (the “**PRC**”) and is listed on the PRC’s National Equities Exchange and Quotations. It specialises in the production of specialty chemicals used mainly for the construction industry, such as concrete admixtures, mortar admixtures, gypsum water reducing agents, floor care products and geotechnical engineering additives.

The Target Company was introduced by a contact of the Chairman of our Group, Mr Shi Jiangang. No introduction fees will be paid to any party in relation to the Proposed Acquisition.

3. RATIONALE

Our Group’s chemical business currently comprises the trading of commodity chemicals and, as announced on 14 March 2018, the provision of water treatment solutions using microbial and/or chemicals, particularly (but without limitation) to the chemical industry in the PRC. The Proposed Acquisition is in the ordinary course of business of our Group to grow our chemical business. Moreover, there will be

synergistic benefits from the sharing of supplier and customer bases, technical expertise and other operational cooperation between the Parties after completion of the Proposed Acquisition.

4. PRINCIPLE TERMS OF THE TERM SHEET

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

4.1 Consideration

RMB20 million payable in cash for new shares representing 18.18% of the enlarged share capital of the Target Company after completion.

4.2 Conditions Precedent

There shall be standard conditions precedent, which shall include, amongst other things:-

- Completion of financial and legal due diligence on the Target Company which is satisfactory to our Company.
- All requisite governmental, regulatory and third party (if any) consents, approvals, clearances, releases and waivers in relation to the Proposed Acquisition having been obtained.
- No material adverse change having occurred in the assets, business or financial condition of the Target Company prior to completion.
- All representations, warranties and undertakings by the Target Company being complied with, true, complete and accurate in all material respects.
- The execution and delivery of a definitive sale and purchase agreement in relation to the Proposed Acquisition between our Company and the Target Company.

4.3 Representations and Warranties:

Representations, warranties and undertakings shall be given by the Target Company that are customary for a transaction of this nature.

4.4 Expenses

Each Party shall bear its own costs and expenses in relation to the Proposed Acquisition.

4.5 Exclusivity

Until the date falling 3 months from the date of the Term Sheet, the Target Company shall procure that the Target Company, and the directors and management of the Target Company, will:-

- (a) not solicit, initiate, encourage or engage in any other proposals from any other person; and

- (b) immediately cease and not negotiate, entertain any discussions or understandings with any other person,

in respect of any transaction that will affect the execution or successful consummation of the Proposed Acquisition.

4.6 Governing Law

The Term Sheet shall be governed in accordance with the laws of Singapore.

5. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling Shareholders of our Company, other than in their respective capacity as Directors or Shareholders, has any interest, direct or indirect, in the Proposed Acquisition.

6. FURTHER ANNOUNCEMENTS

Our Company will make further announcements in compliance with the requirements of the Listing Manual, upon the execution of definitive agreements and/or when there are material developments in respect of the Proposed Acquisition.

7. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this Announcement that definitive agreements will be entered into, the terms and the conditions of the Proposed Acquisition will not differ from those set out in the Term Sheet, or the Proposed Acquisition will be undertaken or completed at all. Our Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition.

Shareholders are advised to read this Announcement and any further announcements by our Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

Sam Kok Yin
Managing Director

27 November 2018

Note:

This announcement has been prepared by our Company and its contents have been reviewed by our Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Exchange. Our Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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