ABUNDANTE LIMITED
Company Registration No. 197902587H
(Incorporated In The Republic Of Singapore)

PROPOSED ACQUISITION OF PROPERTY– GRANT OF OPTION TO PURCHASE THE PROPERTY AT 160 PAYA LEBAR ROAD #07-09 ORION @ PAYA LEBAR SINGAPORE 409022

1. INTRODUCTION

The Board of Directors of Abundante Limited (the "Company", together with its subsidiaries, the "Group") wishes to announce that its subsidiary, TMC Pumping System Pte Ltd (the "Buyer") has on 21 February 2023 been granted an option to purchase (the "Option") the freehold property at 160 Paya Lebar Road #07-09 Orion @ Paya Lebar Singapore 409022 (the "Property") by Wescot Industries Pte Ltd (the "Vendor") upon the payment of a sum of S$15,300 (the "Option Fee") (the "Proposed Acquisition").The Vendor is an independent and unrelated third party.

The Option Fee represents 1% of the total consideration for the purchase of the Property of S$1,530,000 (the "Consideration").

2. INFORMATION ON THE PROPERTY, THE VENDOR AND RATIONALE FOR THE PROPOSED ACQUISITION

The Property is a premise at 160 Paya Lebar Road #07-09 Orion @ Paya Lebar Singapore 409022, with an approximate gross floor area of 1,668 square feet.

The Vendor is a Singapore incorporated company, having its registered office address at 160 Paya Lebar Road #07-09 Orion @ Paya Lebar Singapore 409022. It is principally engaged in the business of electrical product supply. To the best of the Company's knowledge, the Vendor, its directors and its shareholder and their respective associates are not related to the Group.

The Proposed Acquisition is intended as the Group's corporate office. The Group's purchase of an office space instead of renting can help the Group manage its business costs better and also put its fund into an investment which can appreciate over time.

3. CONSIDERATION

The Consideration for the Proposed Acquisition was arrived at on a willing-buyer, willing-seller basis, after taking into consideration various commercial factors such as, recent past transacted prices of neighbouring properties of similar sizes and prevailing market conditions. As such, no valuation was conducted on the Property. The Consideration will be financed by internally generated funds.

4. EXPIRY OF OPTION

The Option shall expire at 4.00 p.m. on 7 March 2023 and will be null and void if not exercised by the Buyer in accordance with the terms of the Option. A further S$61,200, being 5% of the Consideration less the Option Fee, is payable to the Vendor's solicitors, as stakeholders pending completion of the Proposed Acquisition (the "Completion") on the exercise of the Option.

5. COMPLETION

Completion of the Proposed Acquisition is subject to satisfactory legal requisition replies from the relevant government departments and shall take place on 18 April 2023, whereupon the balance Consideration shall be payable by the Buyer to the Vendor.

6. DISCLOSEABLE TRANSACTION

The Proposed Acquisition constitutes a discloseable transaction for the purposes of Chapter 10 of the listing manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), as the relative figures computed under Rule 1006(c) of the SGX-ST Listing Manual exceed 5% but do not exceed 20%. Please see below relative figures of the Proposed Acquisition using the applicable bases of comparison set out in Rule 1006 of the SGX-ST Listing Manual based on the latest announced unaudited consolidated financial statements of the Group for the half year ended 31 August 2022:

Rule 1006	**Bases**	**Relative Figures**
(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value.	Not applicable as this concerns a proposed acquisition and is not a disposal.
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable as the proposed acquisition is in respect of a property and not an operating entity.
(c)	Aggregate value of the consideration to be given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	10.5%
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the consideration for the proposed acquisition is cash.
(e)	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. This basis is 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.	Not applicable as the Company is not a mineral, oil or gas company

Notes:

The Company's market capitalization of S$14,600,712 is determined by multiplying the number of shares of the Company in issue of 104,290,800 ordinary shares by the weighted average price of such shares on SGX-ST of S$0.14 (as of 20 February 2023), being the last market day preceding the date of the Option.

7. FINANCIAL EFFECTS

The financial effects of the Proposed Acquisition have been prepared based on the latest audited consolidated financial statements of the Group for the full year ended 28 February 2022 ("FY2022"), on the following assumptions:

(a) the effect on the earnings per share ("EPS") of the Group is based on the assumption that the Proposed Acquisition had been effected at the beginning of FY2022; and

(b) the effect on the net tangible assets ("NTA") per share of the Group is based on the assumption that the Proposed Acquisition had been effected at the end of FY2022.

EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit attributable to owners of the Company (S$'000)	2,448	2,398
Weighted average number of shares ('000)	90,221	90,221
EPS (cents)	2.71	2.66

NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S$'000)	17,612	17,562
Number of issued shares ('000)	104,291	104,291
NTA per share (cents)	16.89	16.84

Notes:

NTA per share based on issued share capital at the end of the year excludes non-controlling interest's share of the Group's net assets.

8. SERVICE CONTRACT

No person will be appointed to the Board of the Company, and no service contract will be entered into by the Company, in connection with the Proposed Acquisition.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save through their shareholdings (if any) in the Company.

10. CAUTION IN TRADING

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

11. DOCUMENTS FOR INSPECTION

A copy of the Option is available for inspection during normal office hours at the registered office of the Company at 150 Changi Road #03-05 Guthrie Building, Singapore 419973 for three (3) months from the date of this announcement.

By Order of the Board
Chen Lee Lee
Company Secretary
21 February 2023