

ABUNDANCE INTERNATIONAL LIMITED

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

ENTRY INTO JOINT VENTURE AGREEMENT

The English translated names of the PRC (as defined herein) entities included in this announcement is for identification purposes only. To the extent that there is any inconsistency between the Chinese names of these PRC entities and their English translated names, the Chinese names shall prevail.

1. INTRODUCTION

- 1.1. The board of directors of Abundance International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to announce that the Company’s wholly-owned subsidiary, Abundance Investments Pte. Ltd. (the “**Subsidiary**”), has today entered into a joint venture agreement (the “**JVA**”) with (a) Dalian Boyuan Innovation and Technology Co., Ltd (大连博远创新科技有限公司) (the “**JV Partner (Boyuan)**”) and (b) Dalian Qinxing New Materials Technology Development Partnership (Limited Partnership) (大连市勤行新材料科技开发合伙企业 (有限合伙)) (the “**JV Partner (Qinxing)**”) (each a “**JV Partner**”, and together, the “**JV Partners**”) to incorporate and operate a Sino-Foreign Joint Venture Entity (the “**JV Company**”) in the People’s Republic of China (the “**PRC**”) (the “**Joint Venture**”), pursuant to which the Subsidiary, JV Partner (Boyuan) and JV Partner (Qinxing) will hold 40%, 40% and 20% of the registered share capital of the JV Company respectively.

2. INFORMATION ON THE JOINT VENTURE

- 2.1. The JV Company shall be incorporated as a limited liability company under the laws of the PRC. Pursuant to the governing laws of the PRC, the business licence (the “**Business Licence**”) of the JV Company is subject to the approval of the State Administration for Industry and Commerce (the “**SAIC**”) of the PRC and the establishment date (the “**Establishment Date**”) of the JV Company shall be the approval date of the Business Licence issued by the SAIC. Thereafter, in line with the usual practices in the PRC, the Business Licence will have a validity of twenty years.
- 2.2. The JV Company will principally be engaged in the development of technology to enable commercial production of environmentally friendly chemicals.
- 2.3. Under the JVA, the JV Company intends to build and own a hundred-ton facility for the commercial-scale production of furan dicarboxylic methyl ester (“**FDME**”) from glucose that is derived from agriculture waste and non-grain biomass. The technology was originally developed and patented (the “**Initial Patent**”) by the Dalian Institute of Chemical Physics (大连化学物理研究所) (the “**Dalian Institute**”), a renowned chemical research institute in China, at the laboratory level. JV Partner (Boyuan) had been granted the exclusive licence by the Dalian Institute to conduct further research and finetune the patented technology for commercial scale production and had invested considerable financial resources to commence the building of the hundred-ton facility. It is expected that the building of the facility will be funded by contributions to the registered capital of the JV. Pursuant to the JVA, JV Partner (Boyuan) will procure, *inter alia*, that (a) the

licence be issued directly to the JV Company following its establishment, (b) the fixed assets installed to date will be transferred to the JV Company, and (c) the JV Company will hold 60% beneficial interest in the Initial Patent to be granted by the Dalian Institute. When successful, the JV Company shall register and own the patent for the technology to produce FDME from agriculture waste on a commercial scale.

- 2.4. As the business of the Joint Venture (a) is in the ordinary course of business of the Company, (b) is part of the Company's existing core chemicals division and (c) does not change the Company's risk profile, the establishment of the Joint Venture will not constitute as a "transaction" for the purpose of Chapter 10 of the SGX-ST Listing Manual.

3. INFORMATION ON THE JV PARTNERS

- 3.1. JV Partner (Boyuan) is a limited liability company incorporated under the laws of the PRC. It is principally engaged in the business of computer control system design and integration, computer software development, and in the sales, installation and maintenance of air conditioners, household appliances, electromechanical equipment, instruments and meters. It also deals with the sales of building materials, decoration materials, hardware products, daily groceries, and office supplies, the import and export of goods and technology, domestic general trade as well as mechanical processing and the production and processing of various metal parts.
- 3.2. JV Partner (Qinxing) is a limited liability company incorporated under the laws of the PRC. It is principally engaged in investment activities, technical services, technology development, technical consulting, technology exchange, technology transfer, technology promotion; engineering and technology research, experimental development and new material technology promotion services.
- 3.3. The JV Partners are independent third parties and are not related to the Company or its directors or controlling shareholders (as defined in the Catalyst Rules of the SGX-ST Listing Manual).

4. PRINCIPAL TERMS OF THE JVA

Investment and registered capital

- 4.1. At incorporation, the registered share capital of the JV Company will be RMB60,000,000 (approximately S\$11,202,000 based on the exchange rate of RMB1 to S\$0.1867), of which 40% shall be contributed by the Company, another 40% shall be contributed by the JV Partner (Boyuan) and the balance 20% shall be contributed by the JV Partner (Qinxing).

Each of the JV Partner will contribute (in cash, tangible and intangible assets) as follows:

- (a) Company : RMB24,000,000 (approximately S\$4,481,000);
- (b) Boyuan : RMB24,000,000 (approximately S\$4,481,000); and
- (c) Qinxing : RMB12,000,000 (approximately S\$2,240,000).

- 4.2. The respective contributions, which are to be made by 30 June 2025, were determined based on arm's length negotiations between the Company and the JV Partners, and arrived at after taking into account the capital requirements of the JV Company and the fixed assets to be contributed by the JV Partners.

Directors

- 4.3. The board of directors of the JV Company shall comprise three (3) directors. The Company and the JV Partners shall be entitled to nominate one (1) director each.

5. RATIONALE FOR THE JOINT VENTURE

The manufacturing, trading, storage and/or the manufacture or trading of equipment, accessories, consumables or peripherals used in the chemical industry and other related business is our Group's core business. Given the recent emphasis placed by governments around the world on environmental protection, the Company is optimistic about the potential of the development of environmentally friendly chemical technologies.

Through this Joint Venture, we hope to build on the new technology developed by the Dalian Institute and further develop the technology to enable commercial production of environmentally friendly chemicals like FDME and polyethylene furanoate ("**PEF**"). We bring to the Joint Venture our experience in large scale chemicals production and trading, and our contacts with large chemical players in China and abroad.

FDME is an intermediate chemical that can be used to produce biobased chemicals and materials, including plastics such as PEF. PEF is a plant-based, highly recyclable plastic, with superior performance properties compared to today's widely used petroleum-based packaging materials. It has excellent barrier properties along with enhanced thermal and mechanical properties compared to polyethylene terephthalate ("**PET**") which is currently widely used in bottles for beverages and textiles. Therefore, PEF has many applications and tremendous potential in the packaging, textiles and films industries. Many global beverage, cosmetics and packaging companies have already taken actions to include PEF in their production process.

Several big chemical players have already researched on and/or started to produce PEF. However, most players currently produce PEF using furan dicarboxylic acid as an intermediate chemical. Our potentially disruptive new technology will allow the production of FDME and in turn PEF, at a significantly lower cost.

6. SOURCE OF FUNDS AND FINANCIAL EFFECTS

The entry into the Joint Venture will be funded by internally generated funds and is not expected to have any material impact to the Group's net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2025.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

To the best knowledge of the directors, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture (other than through their respective shareholding interests in the Company, if any) other than as disclosed in this announcement.

8. SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company, and no service contracts will be entered into by the Company in connection with the Joint Venture.

9. DOCUMENT AVAILABLE FOR INSPECTION

Shareholders should note that copies of the JVA will be available for inspection during normal business hours at the Company's registered office at 9 Joo Koon Circle Singapore 629041 for a period of three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENT AND UPDATE

The Company will make further announcements on the Joint Venture as appropriate or when there are further developments on the same.

By Order of the Board

Sam Kok Yin
Managing Director

20 January 2025

Note:

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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