# ABUNDANCE INTERNATIONAL LIMITED
(FORMERLY KNOWN AS CRAFT PRINT INTERNATIONAL LIMITED)
(Incorporated in Singapore)
(Company Registration Number 197501572K)

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## SALE OF MACHINERY AND EQUIPMENT

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## 1. INTRODUCTION

The Board of Directors (the "**Board**") of Abundance International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 30 December 2015 relating to the Board's decision to scale down the Printing Business and adjust its operational model and particularly to the Group's intention to cease internal production in respect of the Printing Business by 31 December 2015.

In relation thereto, the Board would like to announce that the Company has on 14 January 2016, entered into an agreement for the sale of certain machinery and equipment (the "**Disposal**") used for the Printing Business (the "**Machinery Assets**") to Pinheiros Corporation Ltd (the "**Purchaser**"). To the Company's knowledge, the Purchaser is a dealer in printing and post press machinery and is based in the United Kingdom.

## 2. RATIONALE FOR THE DISPOSAL

In view of the cessation of internal production in respect of the Printing Business, the Board has been looking to dispose of its production assets which will no longer be necessary for its business activities. The Company also needs the proceeds of the Disposal for meeting its immediate financial obligations incurred in relation to the Printing Business.

## 3. PRINCIPAL TERMS OF THE DISPOSAL

### 3.1 Consideration

The consideration for the Disposal is S$1.85 million in cash (the "**Consideration**"). It was arrived at pursuant to negotiations between the parties and the Company has referenced to the net tangible asset ("**NTA**") value of the Machinery Assets of S$2,300,419 (taking into account the NTA value of S$2,113,831 as at 31 March 2015 and adding the additional cash of S$186,588 which the Company has to pay to take over ownership and title of 2 Machinery Assets which were previously under lease).

### 3.2 Payment Schedule

The Purchaser shall pay the Consideration in the following instalments:

(a) S$185,000 on or before 14 January 2016;

(b) S$600,000 by 29 January 2016;

(c) S$600,000 by 26 February 2016; and

(d) S$465,000 by 25 March 2016.

Notwithstanding the above payment schedule, the Purchaser shall ensure that prior to the dismantling or moving of any of the Machinery Assets, the cash already paid to the Company at that point in time is more than or equal to the total value of the Machinery Assets which the Purchaser has started to dismantle or move. Otherwise, the Purchaser shall be obliged to pay more cash to the Company prior to dismantling or moving of that particular Machinery Asset.

### 3.3 As is where is, ex-site basis

The Machinery Assets will be sold on an as is where is basis. The Company makes no representation or warranty whatsoever on the condition and fit for purpose of any of the Machinery Assets. The sale will also be made on an ex-site basis and the Company shall not be responsible or liable for any transportation cost for the removal of the Machinery Assets from its premises. The Purchaser undertakes to clear all the Machinery Assets from the Company's premises by 31 March 2016.

## 4. FINANCIAL EFFECTS OF THE DISPOSAL

The financial effects of the Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Disposal. The financial effects of the Disposal set out below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 30 September 2014 ("**FY2014**")[(1)] unless otherwise stated.

**Note:**

(1) While the most recently completed financial year is the financial year ended 31 December 2015, the financial effects have been computed based on the Group's audited consolidated financial statements for FY2014, as the consolidated financial statements for the financial year ended 31 December 2015 have not been announced.

### 4.1 Effect on Group's NTA per share

For illustrative purposes only, had the Disposal taken place on 30 September 2014 and based on the audited consolidated financial statements of the Group as at 30 September 2014 (being the end of the most recently completed financial year), the Disposal would have had the following impact on the Group's NTA for FY2014:

| | As at 30 September 2014 | |
|---|---|---|
| | NTA of the Group (S$'000) | NTA[(1)] per share (cents) |
| Before the Proposed Disposal | 30,846 | 16.41 |
| After the Proposed Disposal | 30,396 | 16.17 |

**Note:**

(1) Based on the total number of issued shares at 30 September 2014, i.e. 188,000,000 shares

### 4.2 Effect on Earnings per share ("EPS")

For illustrative purposes only, had the Disposal taken place on 1 October 2013 and based on the audited consolidated financial statements of the Group as at 30 September 2014 (being the end of the most recently completed financial year), the Disposal would have had the following impact on the Group's EPS for FY2014:

| | For FY2014 | |
|---|---|---|
| | Loss of the Group (S$'000) | Loss[1] per share (cents) |
| Before the Proposed Disposal | (3,887) | (2.25) |
| After the Proposed Disposal | (4,337) | (2.51) |

**Note:**

(1) Based on the weighted average number of shares for FY2014 of 172,931,507.

## 5. RULE 1006

The relative figures in relation to the Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**"), based on the Group's latest announced unaudited consolidated financial statements of the Group for the half year ended 31 March 2015[1] ("**HY2015**") , are as follows:

| **Rule 1006** | **Base** | **Relative figure computed in accordance with the bases set out in Rule 1006** |
|---|---|---|
| (a) | The net asset value of the assets to be disposed of, compared with the Group's net asset value | 7.95% |
| (b) | The net profits attributable to the assets disposed of, compared with the Group's net profits | Not applicable to the Proposed Disposal as the subject matter is machinery and also because the Group made a net loss for HY2015 |
| (c) | The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares | 16.58% |
| (d) | The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue | Not applicable to a disposal |
| (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. 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 and gas company |

As the relative figures under Rule 1006(a) and Rule 1006(c) of Catalist Rules exceed 5.0% but are lesser than 50.0%, the Disposal constitutes a "disclosable transaction" under Rule 1010 of the Catalist Rules.

## 6. LOSS ON DISPOSAL

The net book value of the Machinery Assets as at 31 March 2015 was approximately S$2,300,419 (taking into account the NTA value of the Machinery Assets of S$2,113,831 as at 31 March 2015 and adding the additional cash of S$186,588 which the Company has to pay to take over ownership and title of 2 Machinery Assets which were previously under lease). Accordingly, the loss on disposal, if the Disposal was completed on 31 March 2015 and taking into account any associated costs, will be approximately S$450,419.

## 7. USE OF NET PROCEEDS

Taking into account the estimated expenses of approximately S$186,588 for the buying out of 2 Machinery Assets originally under lease arrangement, the Group will be utilising the net proceeds of approximately S$1,663,412 for the payment of debts and loans incurred in relation to the Printing Business.

## 8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and the controlling shareholders of the Company have any interest or are deemed to be interested in the Disposal, other than through their respective shareholdings in the Company.

## 9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement 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.

By Order of the Board

Sam Kok Yin
Executive Director

14 January 2016

*Note:*

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Exchange. The 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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