

ABUNDANCE INTERNATIONAL LIMITED
(Company Registration No.: 197501572K)
(Incorporated in Singapore)

**CESSATION OF SUBSIDIARY PURSUANT TO THE
EXERCISE OF PUT OPTION BY THE COMPANY IN RESPECT OF THE SHARES
IN THE CAPITAL OF ZHANGJIAGANG ORIENT-HILL MICROORGANISMS TECHNOLOGY
CO., LTD. (张家港东丘微生物科技有限公司)**

Unless otherwise defined, all terms used herein shall bear the same meaning as in the Announcement (as defined below).

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 previous announcement dated 14 March 2018 (“**Announcement**”) relating to, *inter alia*, the put and call option agreement (the “**PCOA**”) entered into by the Company with Mr Shi Jiagang (Executive Chairman of the Company) (“**SJG**”) in respect of a put and call option over certain shares held by the Company representing 40% of the registered share capital (the “**Option Shares**”) of Zhangjiagang Orient-hill Microorganisms Technology Co., Ltd. (张家港东丘微生物科技有限公司) (the “**JV Company**”).

2. EXERCISE OF PUT OPTION

The Board wishes to announce that after an evaluation of the JV Company’s performance to date, the Company has exercised the put option under the PCOA (the “**Put Option**”) in respect of the Option Shares (the “**Transaction**”). In accordance with the exercise of the Put Option by the Company, SJG (or such party as he may nominate) is bound under the PCOA to complete the purchase of the Option Shares.

As provided in the PCOA, the Put Option may be exercised at an option price equivalent to a sum of RMB2,400,000 less any profits distribution in respect of the Option Shares received by the Company up to the date of completion of the PCOA (or such other amount as may be agreed in writing) (the “**Option Price**”). The Option Price is equivalent to the amount paid by the Company for the Option Shares less any profit distribution which the Company may have received.

In connection with the PCOA, SJG had granted the Company an interest-free loan of RMB2,400,000 (the “**Loan**”), being the amount to be contributed for 40% of the registered share capital of the JV Company. The Option Price payable by SJG (or such party as he may nominate) shall be settled by the extinguishing of the Loan. Any amount that remains outstanding thereafter shall be payable by the Company, in cash to SJG, on or before completion of the PCOA.

3. INTERESTED PERSON TRANSACTION

Chapter 9 of the Listing Manual

Under Rule 904(4)(a) of the Listing Manual, in the case of a company, an “interested person” means a director, chief executive officer or controlling shareholder of the Company, or an associate of any such director, chief executive officer, or controlling shareholder. Under the Listing Manual, an “associate”, in relation to any individual, including a director, chief executive officer, substantial

shareholder or controlling shareholder (being an individual), means, *inter alia*, his immediate family and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

As at the date of this announcement, SJG is the Executive Chairman and a director of the Company. Further, SJG is a “controlling shareholder” of the Company as he has an interest of more than 15% in the issued share capital of the Company. Accordingly, for the purposes of Chapter 9 of the Listing Manual, SJG would be considered an “interested person” vis-à-vis the Company, which is regarded as an “entity at risk” for these purposes.

The maximum Option Price of RMB2,400,000 is less than 3% of the Group’s latest audited net tangible assets of S\$25,054,843 as at 31 December 2020. There are no other interested persons transaction with SJG or his associates for the current financial year up to the date of this announcement which are above S\$100,000.

4. CESSATION OF SUBSIDIARY

Upon completion of the Transaction, the Company’s shareholding interest in the JV Company will decrease from 70% to 30%. Accordingly, the JV Company will cease to be a subsidiary, and instead shall become an associated company of the Group.

5. MATERIAL EFFECT

The Transaction is expected to have a positive effect (accounting-wise) on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2022.

6. 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 foregoing transaction (other than through their respective shareholding interests in the Company, if any) other than as disclosed in this announcement.

By Order of the Board

Sam Kok Yin
Managing Director
11 March 2022

This document has been reviewed by the Company’s sponsor, Stamford Corporate Services Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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