



ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in Singapore)
(Co. Reg. No: 197501572K)

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2020 ("FY2020")

"FY2019" refers to the year ended 31 December 2019

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		
	FY2020 US\$'000	FY2019 US\$'000	+/(-) %
Revenue	411,147	360,474	+14.1
Other operating income	1,574	490	N.M.
Total revenue	412,721	360,964	+14.3
Expenses			
Changes in inventories of finished goods and good in transit	(393,565)	(344,408)	+14.3
Employee benefits expense	(2,782)	(2,928)	-5.0
Amortisation of right-of-use assets	(176)	(152)	+15.8
Depreciation of property, plant and equipment	(533)	(494)	+7.9
Freight and handling charges	(10,243)	(9,610)	+6.6
Short-term leases and leases of low-value assets	(2,326)	(2,004)	+16.1
Other expenses	(3,815)	(2,692)	+41.7
Finance costs	(1,499)	(1,263)	+18.7
Loss before taxation	(2,218)	(2,587)	-14.3
Tax (expense)/ credit	(455)	95	N.M.
Loss for the year	(2,673)	(2,492)	+7.3
Other comprehensive income/ (loss) after tax			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
- Surplus/ (Deficit) on revaluation of buildings on leasehold land	709	(113)	N.M.
- Financial asset at fair value through other comprehensive income Fair value gain - equity investment	1,572	773	N.M.
<i>Items that may be subsequently reclassified to profit or loss</i>			
- Foreign currency translation differences - foreign operation	516	(94)	N.M.
Other comprehensive income for the year, net of tax	2,797	566	N.M
Total comprehensive income/ (loss) for the year	124	(1,926)	N.M

	GROUP		
	FY2020 US\$'000	FY2019 US\$'000	+ / (-) %
Loss for the year attributable to:			
Equity holders of the Company	(2,625)	(2,484)	+5.7
Non-controlling interests	(48)	(8)	N.M.
Loss for the year	(2,673)	(2,492)	+7.3
Total comprehensive income/ (loss) attributable to:			
Equity holders of the Company	174	(1,918)	N.M.
Non-controlling interests	(50)	(8)	N.M.
Total comprehensive income/ (loss) for the year	124	(1,926)	+N.M.
Loss per share attributable to equity holders of the Company			
- Basic and diluted (cents)	(0.41)	(0.39)	+5.1

N.M. denotes "not meaningful"
+ denotes "increase"
- denotes "decrease"

Notes to statement of comprehensive income

	FY2020	FY2019
	US\$'000	US\$'000
<u>Included in Revenue</u>		
Chemicals	410,534	360,261
Print and paper management	613	213
<u>Included in Other Operating Income</u>		
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	2	3
Exchange gain, net	1,136	-
Fair value gain from derivative asset at FVTPL	133	93
Fair value gain from derivative liability at FVTPL	2	225
Fair value loss from financial assets at FVTPL	(2)	(10)
Gain on disposal of financial assets at FVTPL	18	8
Government grant	169	1
Interest income	26	41
Income from sub-leasing	29	37
(Provision)/ Reversal of expected loss allowance for trade receivables, net	(2)	17
<u>Included in Other Expenses</u>		
Bank charges	(336)	(301)
Loss on contract cancellation	(499)	-
Demurrage	(352)	(337)
Exchange loss, net	-	(207)
Entertainment expenses	(201)	(302)
Impairment loss of plant and equipment	(636)	-
Legal and professional fees	(202)	(267)
Realised loss from futures contract	(201)	-
(Write-down)/ Reversal of inventories, net	(48)	4
<u>Included in Finance Costs</u>		
Non-cash interest expense on zero coupon bonds	(1,204)	(1,058)
Non-cash interest expense on an interest free loan from a director	(31)	(28)
Non-cash interest on lease liabilities	(107)	(79)
Interest expense on bank loans	(55)	(2)
<u>Income tax expenses</u>		
- Under provision in respect of prior years	-	37

Exchange gain in FY2020 was mainly attributable to the realised gain from business activities, revaluation of bank balances and receivables denominated in Renminbi and the Singapore dollar, which appreciated against the United States dollar. Exchange loss in FY2019 was mainly attributable to the revaluation of bank balances and receivables denominated in Renminbi and the Singapore dollar, which depreciated and appreciated against the United States dollar respectively.

The loss on contract cancellation relates to the amount paid to a customer for the non-fulfilment of a contract with the customer due to volatility in chemical supplies.

During the current financial year, the write-down of inventories was provided for chemicals products as the net realisable value as at 31 December 2020 was lower than the cost prices. A reversal of US\$4,000 was recorded during the last financial year due to the inventories being sold above the carrying amounts in FY2019.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Subsidiaries	-	-	7,243	7,515
Financial assets at fair value through other comprehensive income ("FVTOCI")	5,910	3,984	-	-
Property, plant and equipment	13,132	14,105	13,056	13,372
Right-of-use assets	2,040	2,150	1,939	2,000
Deferred tax assets	91	75	-	-
	21,173	20,314	22,238	22,887
Current assets				
Inventories	15,940	17,254	-	-
Trade receivables	30,240	15,572	-	-
Other receivables and deposits	1,514	795	34	30
Advances and prepayments	7,119	6,167	18	17
Amounts due from subsidiaries	-	-	3,706	3,262
Financial assets at FVTPL	141	141	-	-
Derivative asset	368	228	368	228
Cash and bank balances	4,910	5,620	109	174
	60,232	45,777	4,235	3,711
Total assets	81,405	66,091	26,473	26,598
Current liabilities				
Trade payables	37,682	27,304	43	51
Other payables and accruals	1,701	1,750	260	258
Advances from customers	5,013	5,150	-	-
Amount due to a subsidiary	-	-	641	-
Loan from a director	240	-	-	-
Bank loans	917	184	-	-
Bond payables	9,613	-	9,613	-
Lease liabilities	150	131	64	52
Derivative liability	-	2	-	2
Income tax liabilities	492	53	-	-
	55,808	34,574	10,621	363

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current liabilities				
Interest-free loan from a director	327	297	327	297
Bank loan	2,707	-	-	-
Bond payables	-	8,208	-	8,208
Lease liabilities	2,020	2,117	2,004	2,030
Provisions	-	11	-	11
Deferred tax liabilities	1,614	2,086	1,135	1,892
	6,668	12,719	3,466	12,438
Total liabilities	62,476	47,293	14,087	12,801
Net assets	18,929	18,798	12,386	13,797
Equity				
Share capital	33,246	33,246	33,246	33,246
Other equity instruments	2,011	2,011	2,011	2,011
Translation reserve	(784)	(1,300)	(1,162)	(1,196)
Assets revaluation reserve	10,967	10,258	10,967	10,258
Fair value reserve	2,345	773	-	-
Discount paid on acquisition of non-controlling interests	1,386	1,386	-	-
Accumulated losses	(30,213)	(27,590)	(32,676)	(30,522)
Equity attributable to equity holders of the Company	18,958	18,784	12,386	13,797
Non-controlling interest	(29)	14	-	-
Total equity	18,929	18,798	12,386	13,797

1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

	As at 31 December 2020		As at 31 December 2019	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Bank loans	917	-	184	-
Bond payables	-	9,613 ⁽¹⁾	-	-
Loan from a director	-	240	-	-
Lease liabilities (excluding lease liabilities arising from the recognition of Right-of-use assets following the adoption of SFRS(I) 16 Leases)	3	-	3	-

Amount repayable after one year

	As at 31 December 2020		As at 31 December 2019	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
Interest-free loan from a director	-	327 ⁽²⁾	-	297 ⁽²⁾
Bank loan	2,707	-	-	-
Bond payables	-	-	-	8,208 ⁽¹⁾
Lease liabilities (excluding lease liabilities arising from the recognition of Right-of-use assets following the adoption of SFRS(I) 16 Leases)	13	-	12	-

Notes:

- ⁽¹⁾ The book value of the Bonds (as defined below) issued on 31 January 2017 pursuant to the 2017 Rights Issue (as defined below). The maximum redemption amount at maturity date is S\$12,855,000. Subsequent to FY2020, the Bonds have been fully settled on the maturity date from the exercise proceeds of the Warrants (as defined below) and internal resources.
- ⁽²⁾ The interest-free loan from a director pursuant to the Put and Call Option Agreement (the "PCOA") entered on 14 March 2018 is repayable on 13 March 2022 and provides the director with the option (the "Call Option") to convert the loan into 40% equity interest in the shares of the subsidiary, Zhangjiagang Orient-hill Microorganisms Technology Co. Ltd (the "40% Subsidiary Shares"), held by the Company at any time between 13 March 2019 to 13 March 2022. In addition, under the PCOA, the put option granted by the Company provides that the director has the right to require the Company to put the 40% Subsidiary Shares to the director over the same period as the Call Option subject to the terms and conditions of the PCOA (the "Put Option").

Details of any collaterals

As at 31 December 2020, a bank loan of US\$3.4 million (31 December 2019: US\$Nil) was secured by a corporate guarantee from the Company.

A subsidiary has pledged its fixed deposit of US\$210,000 (31 December 2019: US\$204,000) to a financial institution for a bank loan granted to its wholly-owned Japan based subsidiary.

As at 31 December 2020, lease liabilities of US\$16,000 (31 December 2019: US\$15,000) was secured by a charge over the respective asset.

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	FY2020	FY2019
	US\$'000	US\$'000
Cash flows from Operating Activities		
Loss before taxation	(2,218)	(2,587)
Adjustments for:		
Amortisation and depreciation	709	646
Dividend income from financial assets at FVTPL	(2)	(3)
Fair value gain from derivative asset at FVTPL	(133)	(93)
Fair value gain from derivative liability at FVTPL	(2)	(225)
Fair value loss on financial assets at FVTPL	2	10
Gain on disposal of financial assets at FVTPL	(18)	(8)
Impairment loss on plant and equipment	636	-
Interest income	(26)	(41)
Interest expense	1,499	1,263
Plant and equipment written off	20	-
Provision/ (Reversal of) expected loss allowances for trade receivables, net	2	(17)
Reversal of provision no longer required	(11)	-
Write-down/ (Reversal) of inventories, net	48	(4)
Foreign currency translation differences	520	(162)
Operating cashflow before working capital changes	1,026	(1,221)
Change in inventories	1,266	(4,565)
Change in trade and other receivables and deposits	(15,389)	(3,589)
Change in advances and prepayments	(952)	1,501
Change in trade and other payables and accruals	10,329	10,907
Change in advances from customers	(137)	(1,858)
Cash (used in)/ generated from operations	(3,857)	1,175
Interest income received	26	41
Interest paid	(22)	(57)
Income tax paid	(6)	(101)
Net cash (used in)/ generated from operating activities	(3,859)	1,058
Cash flows from Investing Activities		
Purchase of financial assets at FVTOCI	-	(3,003)
Purchase of property, plant and equipment	(68)	(950)
Purchase of financial assets at FVTPL ⁽¹⁾	(338)	-
Proceeds from disposal of financial assets at FVTPL	358	51
Fixed deposits pledged	-	-
Net cash used in investing activities	(48)	(3,902)

Notes:

⁽¹⁾ In FY2020, the addition of US\$2,000 out of the total purchase was in the form of scrip dividend. Net cash purchase of financial asset at FVTPL was US\$338,000.

	FY2020	FY2019
	US\$'000	US\$'000
Cash flows from Financing Activities		
Capital contribution from non-controlling interest	7	6
Government grant received	-	106
Loan from a director	240	-
Proceeds from bank loans	3,581	184
Repayment of bank loans	(343)	-
Repayment of principal portion of lease liabilities	(242)	(142)
Interest paid	(135)	(41)
Fixed deposits pledged	373	(211)
Net cash generated from/ (used in) financing activities	3,481	(98)
Net decrease in cash and cash equivalents	(426)	(2,942)
Effect of changes in currency translation	89	13
Cash and cash equivalents at beginning of financial year	5,037	7,966
Cash and cash equivalents at end of financial year	4,700	5,037

For the purpose of the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	FY2020	FY2019
	US\$'000	US\$'000
Cash and cash equivalents as at above	4,700	5,037
Add: Fixed deposits pledged	210	583
Cash and bank balances as per statement of financial position	4,910	5,620

Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

	1 January 2020	Cash flows		Non-cash changes			31 December 2020
		Proceeds	Repayment	New leases	Currency translation differences	Interest expenses	
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Liabilities							
Interest free loan from a director	297	-	-		(1)	31 ^(a)	327
Bank loans	184	3,581	(343)		202	-	3,624
Bond payables	8,208				201	1,204 ^(b)	9,613
Lease liabilities	2,248	-	(242)	31	26	107 ^(c)	2,170
Asset							
Fixed deposits pledged	(583)	-	373		-	-	(210)

Notes:

- (a) This represents imputed interest expense of the interest free loan from a director.
(b) This interest expense relates to the unwinding of discount adjustment on bond payables.
(c) This represents imputed interest expense on adoption of SFRS(I) 16 Leases.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Equity attributable to owner of the Company								Non-controlling interest	Total equity
	Share capital	Other equity instruments	Translation reserve	Assets revaluation reserve	Fair value reserve	Accumulated losses	Discount paid on acquisition of non-controlling interests	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2019	33,246	2,011	(1,206)	10,371	-	(25,106)	1,386	20,702	16	20,718
Total comprehensive loss for the year	-	-	(94)	(113)	773	(2,484)	-	(1,918)	(8)	(1,926)
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	6	6
Balance at 31 December 2019	33,246	2,011	(1,300)	10,258	773	(27,590)	1,386	18,784	14	18,798
Total comprehensive loss for the year	-	-	516	709	1,572	(2,623)	-	174	(50)	124
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	7	7
Balance at 31 December 2020	33,246	2,011	(784)	10,967	2,345	(30,213)	1,386	18,958	(29)	18,929

Company	Share Capital	Other equity instruments	Translation reserve	Assets revaluation reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2019	33,246	2,011	(1,272)	10,371	(28,355)	16,001
Total comprehensive loss for the year	-	-	76	(113)	(2,167)	(2,204)
Balance at 31 December 2019	33,246	2,011	(1,196)	10,258	(30,522)	13,797
Total comprehensive loss for the year	-	-	34	709	(2,154)	(1,411)
Balance at 31 December 2020	33,246	2,011	(1,162)	10,967	(32,676)	12,386

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Summary of Outstanding Convertibles

There have not been any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. As at 31 December 2020, the total number of issued shares in the Company is 642,750,000 shares (31 December 2019: 642,750,000 shares). The number of shares that may be issued on conversion/exercise of all the outstanding convertibles (comprising the Warrants (as defined below) allotted and issued pursuant to the 2017 Rights Issue (as defined below)) is 642,750,000 shares.

There were no treasury shares or subsidiary holdings held as at the end of financial periods ended 31 December 2020 and 31 December 2019.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Group	
	As at 31 December 2020	As at 31 December 2019
Total number of issued ordinary shares	642,750,000	642,750,000

The Company does not have any treasury shares as at 31 December 2020 and 31 December 2019.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5, the Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The following are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant to the Group's accounting periods beginning on or after 1 January 2020:

- *Amendments to References to the Conceptual Framework in SFRS(I)*
- *Amendments to SFRS(I) 3: Definition of a Business*
- *Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material*
- *Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: Interest Rate Benchmark Reform*
- *Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions*

The adoption of these SFRS(I) standards did not have material impact on the financial performance or position of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	Year ended 31 December 2020	Year ended 31 December 2019
Loss per share attributable to equity holders of the Company – in cents:		
Basic and diluted		
Loss from operations	(0.41) cents	(0.39) cents
Based on weighted average number of issued shares of the Company	642,750,000	642,750,000

Note:

- (1) On 17 June 2016, the Company announced its intention to undertake a renounceable non-underwritten rights issue (the “2017 Rights Issue”) of up to S\$12,855,000 in principal amount of zero coupon bonds due 2021 (“Bonds”), with principal amount of S\$0.02 for each Bond, at an issue price of S\$0.016 for each Bond, with up to 642,750,000 free detachable European warrants (“Warrants”), each Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.02 for each new share, on the basis of one Bond with one free Warrant for every existing share in the capital of the Company held by the entitled shareholders as at the books closure date. The 642,750,000 Bonds with Warrants which had been allotted and issued on 31 January 2017 pursuant to the 2017 Rights Issue have been excluded from the calculation of diluted loss per share for the period ended 31 December 2020 and 31 December 2019 as it is anti-dilutive.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
Net asset value per ordinary share (US cents)	2.95	2.92	1.93	2.15
Based on number of issued shares of the Company	642,750,000	642,750,000	642,750,000	642,750,000

Note:

- (1) The net asset value per ordinary share as at 31 December 2020 and 31 December 2019 was derived without taking into account the additional shares that may be issued upon exercise of the Warrants issued pursuant to the 2017 Rights Issue.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group’s performance

The Group recorded an increase in chemicals revenue by US\$50.2 million from US\$360.3 million in FY2019 to US\$410.5 million in FY2020 despite challenging market conditions and the impact of the Covid-19 pandemic. The Group’s chemicals segment recorded better revenue due to a spike in demand for a chemical ingredient, Isopropyl alcohol, and other related chemicals that are commonly used for disinfection. In line with the increase in sales, the corresponding cost of goods sold has increased by US\$49.2 million from US\$344.4 million in FY2019 to US\$393.6 million in FY2020.

Print and paper management revenue increased by US\$400,000 from US\$213,000 in FY2019 to US\$613,000 in FY2020. This was due to the print and paper management activities that are carried out by the Group's wholly owned subsidiary, Abundance Resources Pte. Ltd., which became active only in mid-year 2019. Full year revenue was recorded in FY2020 which resulted in an increase.

Other operating income increased from US\$0.5 million to US\$1.5 million which was due mainly to (i) exchange gain of \$1.1 million recorded during FY2020 while nil in FY2019 as the Group incurred exchange loss of US\$0.3 million that was recorded under "Other expenses"; and (ii) increase in government grant by US\$168,000 due to mainly to Job Support Scheme grant income from Singapore Government.

Employee benefits expenses decreased slightly by US\$0.1 million from US\$2.9 million in FY2019 to US\$2.8 million in FY2020 due mainly to lower staff bonus provided for FY2020.

Freight and handling charges increased by US\$0.6 million from US\$9.6 million in FY2019 to US\$10.2 million in FY2020 due mainly to the higher freight costs in line with the increase in sales to customers compared to the same period last year.

Short-term leases and leases of low-value assets increased by US\$0.3 million from US\$2.0 million in FY2019 to US\$2.3 million in FY2020 which were due mainly to the storage of more chemicals stock at third party warehouses as compared to the same period last year.

Other expenses increased by US\$1.1 million from US\$2.7 million in FY2019 to US\$3.8 million in FY2020. This was mainly due to one off expense incurred during FY2020 such as impairment loss on plant and equipment for a non-performing subsidiary and the loss on contract cancellation paid to a customer for non-fulfilment of a contract with the customer due to volatility in chemical supplies.

Finance costs increased by US\$0.2 million from US\$1.3 million in FY2019 to US\$1.5 million in FY2020. This was mainly due to higher interest expenses incurred for (i) unwinding of discount adjustment arising from the non-cash interest on the Bonds allotted and issued pursuant to the 2017 Rights Issue and (ii) interest on bank loans as compared to the same period last year.

The income tax expenses in FY2020 arose from the provision for income taxes of profitable subsidiaries. The income tax credit in FY2019 was due to the tax effect on the utilisation of group relief on loss-making companies.

Surplus on revaluation of buildings on leasehold land comprises of revaluation deficit of US\$83,000 offset by a reversal of deferred tax liabilities of US\$759,000 over provided in previous year and currency exchange differences of US\$33,000.

The foreign currency translation differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The translation differences for the current period arose from changes in foreign currencies, such as the Singapore dollar and Renminbi against the United States dollar upon consolidation of subsidiaries whose functional currency is the Singapore dollar and Renminbi. The weakening of the United States dollar against Singapore dollar and Renminbi resulted in overall net foreign currency translation gain of US\$516,000 for FY2020.

The Group reported losses before interest, taxes, depreciation ("**LBITA**") of US\$10,000 in FY2020 as compared to US\$678,000 in FY2019. This was due mainly to higher margins on sales offset by higher freight cost, short-term leases, one off expense incurred such as impairment loss on plant and equipment and the loss on payment to a customer for non-fulfilment of a contract. As a result, the Group recorded a net loss of US\$2.7 million from operations in FY2020 as compared to a net loss of US\$2.5 in FY2019. This was due mainly to non-cash interest expense of zero coupon bonds of US\$1.2 million, depreciation and amortisation totalling US\$0.7 million and tax expenses of US\$0.5 million arose from profitable subsidiary.

Review of statement of financial position

Financial assets at fair value through other comprehensive income represents the Group's investment in Shanghai Sunrise Polymer Material Co., Ltd. ("**SSPM**") for a shareholding of 18.18% of the enlarged registered capital of SSPM and fair value upward adjustment based on a valuation performed by an independent professional valuer due to better financial performance and results of SSPM in FY2020.

Property, plant and equipment decreased by US\$1.0 million from US\$14.1 million as at 31 December 2019 to US\$13.1 million as at 31 December 2020 which was due mainly to depreciation charge for the year and currency exchange differences as a result of the strengthening of the Singapore dollar against the United States dollar.

Inventories decreased by US\$1.4 million from US\$17.3 million as at 31 December 2019 to US\$15.9 million as at 31 December 2020 which was due mainly to more sales during last quarter of FY2020 and the increased efforts made by the management to reduce inventories.

Pursuant to the PCOA entered on 14 March 2018, Mr. Shi Jiangang has granted a Put Option to the Company which provides the Company with the right to put the 40% Subsidiary Shares to Mr. Shi Jiangang over the Option Period subject to the terms and conditions of the PCOA. The Put Option (derivative asset) and the Call Option (derivative liability) have been valued by the independent professional valuers and the changes in their fair values gain/(loss) of US\$133,000 (2019: US\$93,000) and US\$2,000 (2019: US\$225,000) respectively have been recognised in profit or loss during FY2020.

Trade receivables increased by US\$14.6 million from US\$15.6 million as at 31 December 2019 to US\$30.2 million as at 31 December 2020 which was due mainly to i) more sales generated in last quarter of year 2020; and ii) longer credit term granted to customers covered under trade credit insurance. The Group's average debtor turnover days has increased slightly from 16 days as at 31 December 2019 to 20 days as at 31 December 2020.

Advances and prepayments increased by US\$0.9 million from US\$6.2 million as at 31 December 2019 to US\$7.1 million as at 31 December 2020 which was due mainly to more advance payment made to suppliers for the procurement of chemical supplies in respect of the OCS Group's (as defined below) chemical trading business.

Cash and bank balances decreased by US\$0.7 million from US\$5.6 million as at 31 December 2019 to US\$4.9 million as at 31 December 2020 due mainly to US\$3.6 million bank loan obtained during the year offset by US\$3.9 million negative cash used in operations and loan repayment of US\$0.3 million.

Trade payables increased by US\$10.4 million from US\$27.3 million as at 31 December 2019 to US\$37.7 million as at 31 December 2020 due mainly to more goods purchased toward the last quarter of year 2020.

Advances from customers made in relation to the sales of chemical supplies by OSC Group remained relatively unchanged from US\$5.2 million as at 31 December 2019 to US\$5.0 million as at 31 December 2020.

Bank loans increased by US\$3.4 million from US\$0.2 million as at 31 December 2019 to US\$3.6 million as at 31 December 2020 due to a new Temporary Bridging Loan under Singapore Enterprise Financing Scheme of US\$3.6 million at a lower interest that was taken up in June 2020 offset with repayment during second half of FY2020.

Bond payables increased by US\$1.4 million from US\$8.2 million (under non-current liabilities) as at 31 December 2019 to US\$9.6 million (under current liabilities) as at 31 December 2020 which was due to the accretion of non-cash interest expense recorded in FY2020 and currency exchange differences as a result of the strengthening of the Singapore dollar against the United States dollar. The Bonds matured on 30 January 2021 ("**Maturity Date**") and are presented under current liabilities as at 31 December 2020. This led to a net current liability position of US\$6.4 million at the Company level. The Bonds have been fully redeemed via the exercise of the Warrants issued pursuant to the 2017 Rights Issue and internal resources at 100% of their principal value on the Maturity Date. Please refer to paragraph 10 of this announcement for further information on the exercise of the Warrants issued pursuant to the 2017 Rights Issue and bond repayment after 31 December 2020.

Review of statement of cashflow

Net cash used in operating activities was US\$3.9 million in FY2020 as compared to net cash generated from operating activities of US\$1.0 million in FY2019, due mainly to higher working requirements arising from trade receivables as compared to the same period last year.

Net cash used in investing activities was US\$48,000 in FY2020 which was significantly lower when compared to the US\$3.9 million used in FY2019. This was because of higher purchases of new plant and equipment in FY2019 as compared to FY2020 and the new investment in SSPM recorded in FY2019.

Net cash generated from financing activities was US\$3.5 million in FY2020 compared to net cash used in financing activities US\$0.1 million in FY2019. This was due mainly to the new Temporary Bridging Loan under Singapore Enterprise Financing Scheme of US\$3.6 million that was taken up in June 2020.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Chemical Business

The Group's chemical trading business, conducted via our subsidiary, OSC, and its subsidiaries in the People's Republic of China (the "PRC") and Japan (collectively the "OSC Group") achieved revenue of US\$410.5 million, with profit after tax of US\$0.3 million amidst challenges of the COVID-19 pandemic and global economic downturn. This was due mainly to certain types of chemical products that can be used to produce hand sanitisers which were in high demand. In addition, the prices per ton of several chemicals have increased as compared to the prices during the same period last year.

As at 31 December 2020, the OSC Group has access to approximately US\$43.0 million of trade facilities granted by banks for the purpose of its chemical trading business. Certain suppliers have also granted us credit terms when we purchase goods from them.

The Company's joint venture company, Zhangjiagang Orient-Hill Microorganisms Technology Co., Ltd ("Zhangjiagang Orient-Hill") has on 2 March 2020 signed an agreement to acquire a 40% equity stake in Orient-Hill (Guangdong) Microorganisms Environmental Technology Co. Ltd. Zhangjiagang Orient-Hill has so far secured a service contract and it is in the midst of negotiations with a few other potential customers for new service contracts. During FY2020, Zhangjiagang Orient-Hill has recorded US\$75,000 in revenue, with loss after tax of US\$1.1 million. Impairment loss on plant and equipment, high research costs, marketing fees and operating costs were incurred during FY2020, resulting in a net loss.

The Company's wholly-owned subsidiary, Abundance Investments Pte. Ltd., acquired 18.18% of the enlarged share capital of Shanghai Sunrise Polymer Material Co., Ltd. ("SSPM") in FY2019. SSPM was incorporated in the PRC and 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. SSPM together with its subsidiaries has recorded a profit of US\$1.4 million for FY2020.

We will continue to explore and evaluate other chemical related investment opportunities.

Investment Business

The Group commenced its investment business under its wholly-owned subsidiary, Abundance Investments Pte. Ltd., which was incorporated on 1 September 2016. As at 31 December 2020, this portfolio (excluding the 18.18% equity interest in SSPM) consisting of cash and listed equities, amounted to US\$0.53 million.

The Group will make appropriate investments as and when good opportunities come along and where its cash flow position allows.

Print and Paper Management Business

As previously announced, the Group has ceased printing internally. The Group has since been exploring ways to adjust our business model moving forward. In June 2019, the Group started slitting and rewinding of paper rolls and in October 2019, we started providing sheeting services. Today, the Group is able to provide a comprehensive suite of paper management services to its clients which are mostly based in Singapore. The Group's print and paper management business achieved US\$613,000 of revenue for FY2020.

Others

- (i) Following the Covid-19 outbreak, the Group has implemented necessary measures, such as work from home arrangements, for staff in Singapore, Japan and in the PRC, to ensure business continuity. Accordingly, the Group was able to manage and minimise disruptions to business operations notwithstanding that the Group's chemical businesses are conducted mainly from the PRC and the fact that many customers and suppliers are based in the PRC. Nevertheless, the Group too was affected to some extent by the production, supply and logistical bottlenecks caused by the pandemic. The Group will continue to closely monitor the evolving situation of COVID-19 pandemic and shall adjust and react accordingly with appropriate measurement. The Group has also taken steps to expand its pool of suppliers and storage/logistic providers in order to better deal with future unexpected events like Covid-19.
- (ii) Prior to the expiry of the Warrants, a total of 638,938,706 Warrants had been exercised on 29 January 2021, resulting in the allotment and issue by the Company of 638,938,706 new ordinary shares in the capital of the Company (the "**New Shares**"). Accordingly, the issued and paid-up share capital of the Company as at 29 January 2021 has increased from 642,750,000 ordinary shares to 1,281,688,706 ordinary shares. The New Shares rank *pari passu* in all respects with the existing issued and paid-up shares of the Company, save for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of issue and allotment of the New Shares. The New Shares had been listed and quoted on Catalist with effect from 2 February 2021. The Warrants had been de-listed from the Official List of the SGX-ST after their expiry date.

Please refer to the Company's announcement dated 29 January 2021 for further information.

- (iii) The S\$12,855,000 in principal amount of Bonds issued by the Company matured on 30 January 2021 and were fully settled. As previously announced by the Company on 28 December 2020, bondholders have the option to utilise (in full or in part) their entitlement to the principal amount to be redeemed from the Bonds to pay the exercise price for the Warrants. For FY2020, the Company has to record a non-cash interest expense of US\$1.2 million from the Bonds. This non-cash interest expense from the Bonds will be significantly reduced in FY2021 since the Bonds matured on 30 January 2021.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No

(b) (i) Amount per share cents.

Not applicable

(b) (ii) Previous corresponding period Cents

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2020 in view of the Group's loss for the financial year.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group obtained the approval from shareholders on the renewal of the interested person transactions mandate pursuant to Rule 920 during the annual general meeting of the Company held on 23 June 2020.

The interested person transactions entered into during the FY2020 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		FY2020 S\$'000	FY2020 S\$'000
Kellin Chemicals (Zhangjiagang) Co., Ltd (凯凌化工(张家港)有限公司) - Sales and purchases of chemicals	A company owned by an associate of Mr Shi Jiangang, the Executive Chairman of the Company	-	73,221
Shanghai Orient-Salt Chemicals Co., Ltd (上海东盐化工有限公司) - Rental of office	A company owned by Mr Jiang Hao, a Director of the Company	150	-

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

15. Disclosure on Acquisitions and Realisation of Shares pursuant to Catalist Rule 706(A).

There was no acquisition or sales of shares by the Company which would require announcement in accordance with Rule 706A of the Catalist Rules, nor any incorporation of any new subsidiary or associated company by the Company or any of the Group's entities, during the full financial year ended 31 December 2020.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Catalist Rules and according to the format set out in Appendix 7H of the Catalist Rules.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

17 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segment

	Chemicals		Printing Related		Investment		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
External sales	410,534	360,261	613	213	-	-	411,147	360,474
Segment revenues	410,534	360,261	613	213	-	-	411,147	360,474
Segment results	(167)	(146)	(529)	(1,157)	(23)	(21)	(719)	(1,324)
Finance costs							(1,499)	(1,263)
Loss before taxation							(2,218)	(2,587)
Tax (expense)/ credit							(455)	95
Loss for the year							(2,673)	(2,492)
Other material items								
Amortisation of right-of-use assets	(74)	(2)	(102)	(150)	-	-	(176)	(152)
Depreciation of property, plant and equipment	(83)	(31)	(450)	(462)	-	-	(533)	(494)
Demurrage	(352)	(337)	-	-	-	-	(352)	(337)
Loss on contract cancellation	(499)	-	-	-	-	-	(499)	-
Impairment loss of plant and equipment	(636)	-	-	-	-	-	(636)	-
(Provision)/ Reversal of expected loss allowance for trade receivables, net	(2)	17	-	-	-	-	(2)	17
(Write-down)/ Reversal of inventories, net	(48)	4	-	-	-	-	(48)	4

	Chemicals		Printing Related		Investment		Elimination		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	60,205	46,073	26,583	26,704	6,457	4,182	(11,931)	(` 10,943)	81,314	66,016
Deferred tax assets	91	75	-	-	-	-	-	-	91	75
Consolidated total assets	60,296	46,148	26,583	26,704	6,457	4,182	(11,931)	(` 10,943)	81,405	66,091
Segment liabilities	44,441	34,132	3,932	3,301	3,628	3,203	(5,435)	(4,171)	46,566	36,465
Loan from a director	240	-	327	297	-	-	-	-	567	297
Bank loans	3,624	184	-	-	-	-	-	-	3,624	184
Bond payables	-	-	9,613	8,208	-	-	-	-	9,613	8,208
Income tax liabilities	492	53	-	-	-	-	-	-	492	53
Deferred tax liabilities	-	-	1,135	1,892	479	194	-	-	1,614	2,086
Consolidated total liabilities	48,797	34,369	15,007	13,698	4,107	3,397	(5,435)	(4,171)	62,476	47,293
Capital expenditure	68	618	-	226	-	-	-	-	68	844

Geographical segments

Group	2020	2019
	US\$'000	US\$'000
China	281,618	241,516
Taiwan	20,971	26,239
Indonesia	21,237	24,011
Singapore	27,097	21,769
Other countries in Asia	55,184	28,947
Others	5,040	17,992
Total	411,147	360,474

18. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to item 8.

19. **A breakdown of sales.**

Group	FY 2020	FY 2019	% Change
	US\$'000	US\$'000	
(a) Sales reported for the first half year	187,894	173,677	+8.2
(b) Loss after tax before deducting non-controlling interests reported for the first half year	(799)	(780)	+2.4
(c) Sales reported for the second half year	223,253	186,797	+19.5
(d) Loss after tax before deducting non-controlling interests reported for the second half year	(1,874)	(1,712)	+0.9

20. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	-	-
Preference	-	-
Total:	-	-

21. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current Position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Jiang Jie	49	Brother of Jiang Hao, a substantial shareholder and Director	Director of Touen Japan Co., Ltd. (東塩ジャパン株式会社) Date of appointment: 26 October 2015	Nil

22. **Use of proceeds from convertible bonds issue and placement issue**

All previous fund raising proceeds have been fully utilised. Please refer to the Company's full year results announcement dated 28 February 2017.

BY ORDER OF THE BOARD

Sam Kok Yin
Managing Director
25 February 2021

Note:

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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