

ABUNDANCE INTERNATIONAL LIMITED

COMPANY PRESENTATION

August 2021

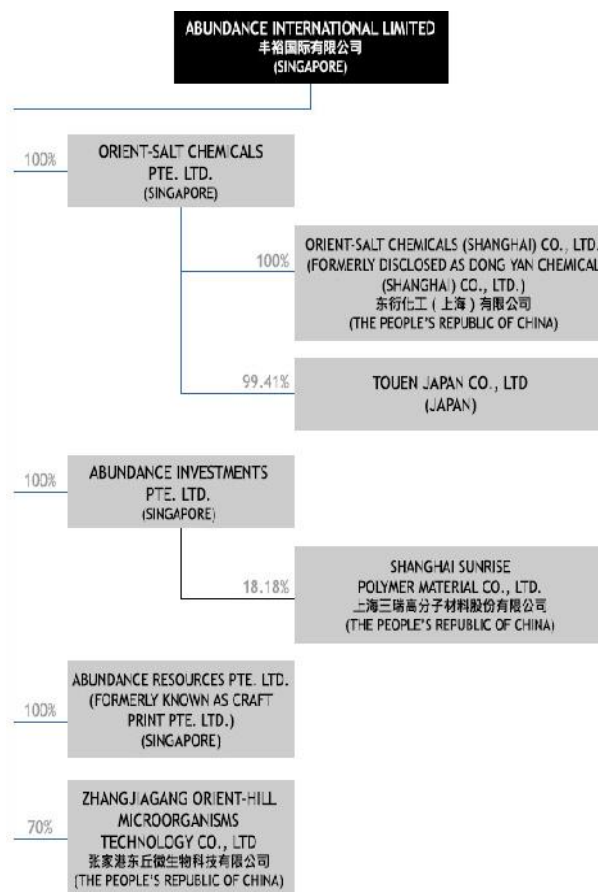
Notice & Disclaimer

This document has been prepared for discussion purposes and does not constitute an offer or solicitation, nor it is the basis for any contract, for the purchase or sale of any investment. The information contained in this document is strictly confidential and is made available to the recipient on the express condition that it will be held in complete confidence. It may not be copied or circulated, in whole or in part, without the prior express or written consent of Abundance International Limited (“ABIL”). Recipients should not consider the contents in this documents as legal, tax, business or investment advice. Each recipient should consult with its own counsel, accountant and/or business advisor as to legal, tax and related matters. Any investment decision must be based upon the results of each recipient’s own investigations and such investigations shall be at each recipient’s own risk. The value of investments may rise as well as fall. Past performance is not necessarily indicative of future returns. Target returns are not guaranteed. The information contained herein has been based on the information reasonably available at the time of the preparation of this document. ABIL shall not be liable for the accuracy or completeness of such information. The information contained in this document is subject to change without notice. No representation or warranty, expressed or implied, is made in respect of the information in this document.

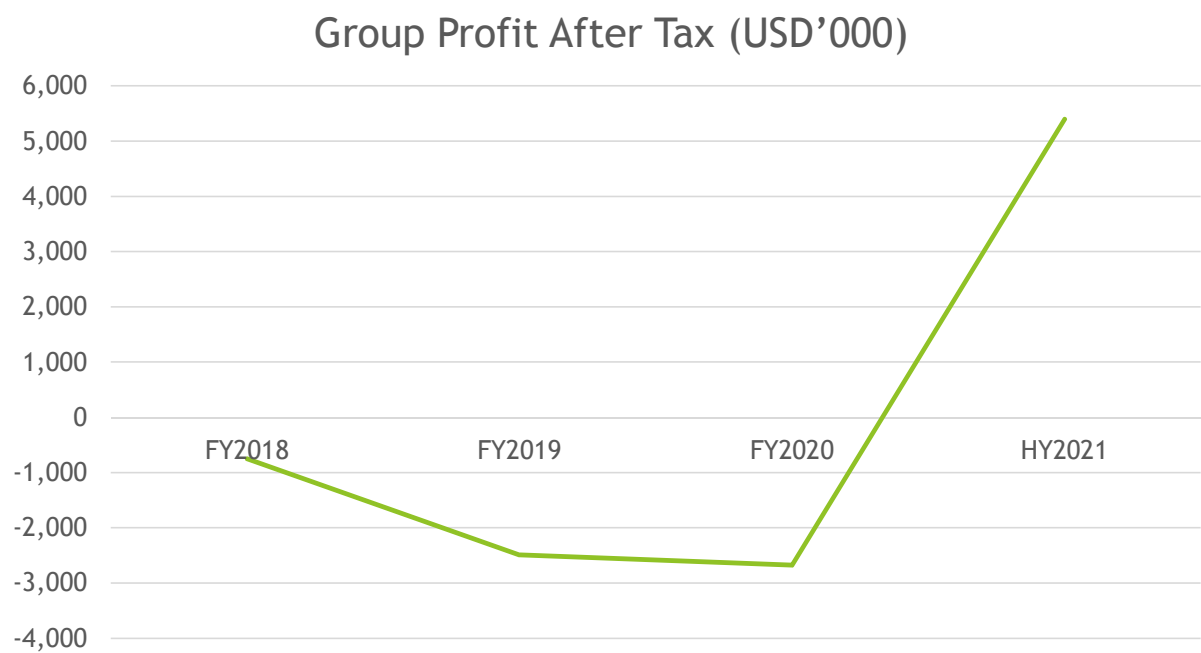
History

- ▶ Formerly a loss making printing company
- ▶ New management and major shareholders on board in 2014
- ▶ Today, 3 different business segments:
 - ❖ Chemicals
 - ❖ Investments
 - ❖ Paper Management

Group Structure

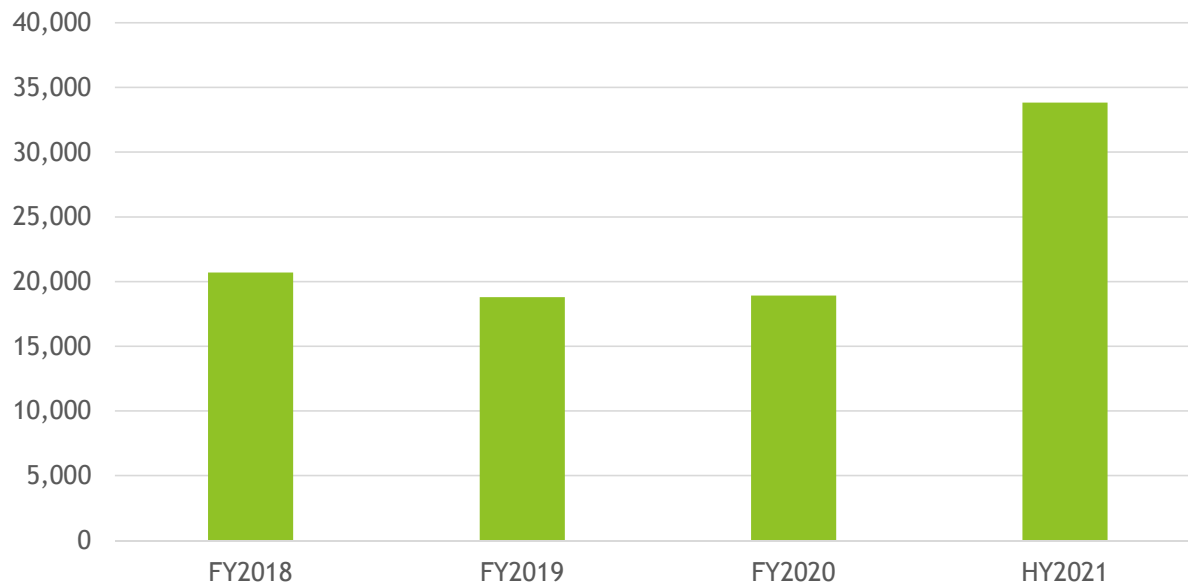


Financial Statistics



Financial Statistics

Group NTA (USD'000)



Our Business: Chemicals Trading

- ▶ In 2015, the OSC Group was set up as part of our Group
- ▶ Involved in trading of commodity chemicals
- ▶ Very experienced team led by our Executive Director Jiang Hao
- ▶ Offices and staff in Singapore, Shanghai, Xiamen, Shandong and Japan

Our Business: Chemicals Trading

► OSC's Business Model

- ❖ Trading of commodity chemicals

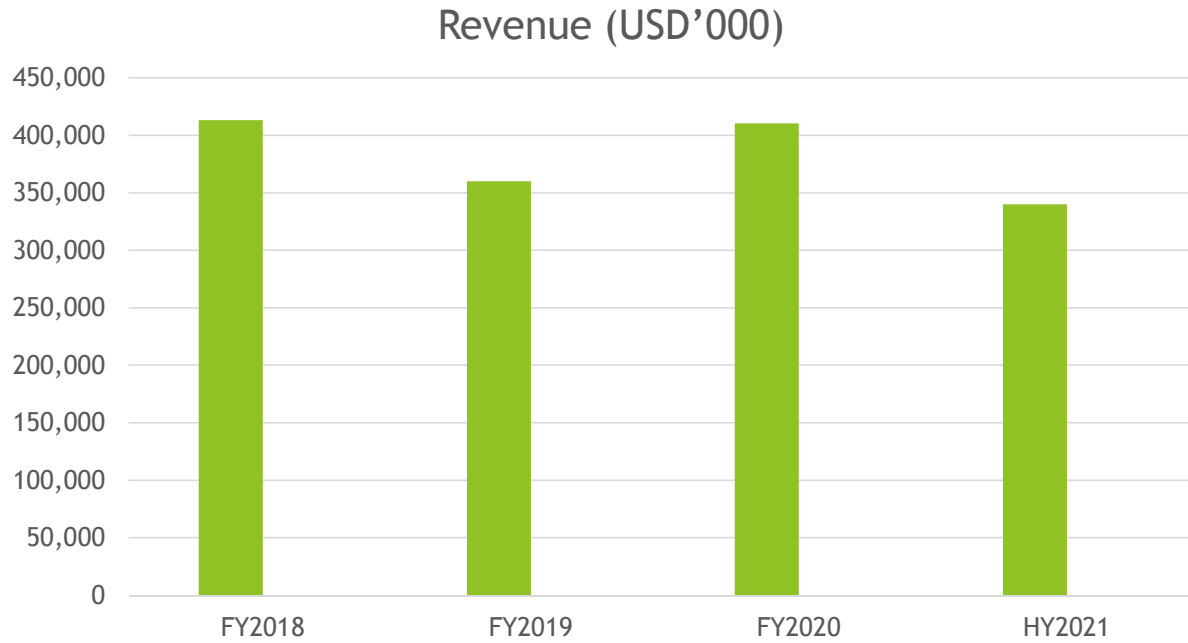
List of Chemicals Traded		
Acetic Acid	Acetone	Butane
Ethyl Acetate	HPEG/TPEG	Glycol Ether
Butene-1	Mixed Xylene	Triethylamine
Normal Butyl Acetate	Ethanol	2-Ethylhexanol
Mixed C4	Diisobutyl Phthalate	Acrylic Acid
N-Propyl Acetate	Phenol	Ethylene Glycol
Methyl Isobutyl Ketone	Petroleum Benzene	Meta Xylene
Isopropyl Alcohol	Isobutanol	Phthalate
Lauric Acid	Bisphenol A	Glycerin
Acrylic	Toluene	Methanol
Butyl Acetate	Iso-Phthalic Acid	Polypropylene
PVC	Sec-butyl Acetate	Myristic Acid

Our Business: Chemicals Trading

► OSC's Business Model (con't)

- ❖ We believe we are the one of the largest traders of acetone and acetic acid in China
- ❖ For HY2021:
 - Approximately 51% were pre-sold trades
 - Gross margin was 2.6%
 - In terms of dollar value, top 3 products were acetic acid, ethyl acetate and acetone

Our Business: Chemicals Trading



Our Business: Chemicals Trading



#includes a fair value gain of US\$3.9 million less US\$1.0 million deferred tax expense from Sopo investment. Core chemical trading PAT US\$3.3 million

Our Business: Chemicals Trading

- ▶ Bad Debts
- ▶ Stock Obsolescence
- ▶ FY2018, FY2019, FY2020, HY2021

ZERO!

Our Business: Chemicals Trading

- ▶ Challenging banking environment due to high profile cases in Singapore involving other trading companies
- ▶ Asset light business model. Advantage is no depreciation of PPE, no huge capex
- ▶ War chest increased with profits. No lack of business, lack of funds has always been the bottleneck. Snow balling effect
- ▶ Chemical prices high, need for funds have increased but this also means less competition from smaller players
- ▶ In unforeseen situations like Covid, our experience and strong relations with suppliers and customers distinguished us from others. Caught by surprise too in HY2020 but we re-organised and recovered strongly and quickly

Our Business: Chemicals Trading

- ▶ High trading volume:
 - ❖ Able to get goods in high demand times
 - ❖ Able to get better pricing
 - ❖ Able to supply more than one type of chemicals to customers
 - ❖ Able to fill an entire tanker ship and save on shipping costs
- ▶ Reputation
 - ❖ Trust-worthy
 - ❖ Credit-worthy
 - ❖ Able to deliver

Our Business: Chemicals Trading

▶ Going Forward:

- ❖ With more internal cash and bank support, to increase volume and profit
- ❖ Contract manufacturing arrangements
- ❖ Continue strict inventory risk management policy
- ❖ To explore suitable corporate actions

Our Business: Investments

- ▶ Major investments largely strategic and related to our core chemical business
- ▶ Mixture of long and short term investment periods
- ▶ Positioned as an investor that can add value to our investee companies' core businesses

Our Business: Investments

- ▶ Investment in 张家港东丘微生物科技有限公司 (Zhangjiagang Orient-Hill Microorganisms Technology Co., Ltd.) in 2018
 - ❖ Currently 70% owned
 - ❖ Provides water/sludge treatment solutions in the PRC
 - ❖ Japanese technology
 - ❖ PRC government strict on environmental protection, big market potential
 - ❖ Target factories producing chemicals as the pollution level for waste water is typically higher
 - ❖ Progress slow due to Covid. Difficult for Japanese JV partner to send people on-site

Our Business: Investments

- ▶ Investment in 上海三瑞高分子材料股份有限公司 (Shanghai Sunrise Polymer Material Co., Ltd.) in 2019
 - ❖ Manufacturer of specialty chemicals
 - ❖ Provides customized formulations and total technical solutions for manufacturers of concrete admixtures, dry-mix mortar, lithium batteries, paints, inks and coatings
 - ❖ RMB20 million for 18.18% of share capital
 - ❖ Sunrise group recorded a profit of US\$1.4 million for FY2020

Our Business: Investments

- ▶ Investment in 江苏索普化工股份有限公司 (Jiangsu Sopo Chemical Co., Ltd.) in April 2021
 - ❖ Jiangsu Sopo is our supplier and listed on the Shanghai Stock Exchange
 - ❖ Major product is acetic acid
 - ❖ 3,610,108 shares at RMB8.31 each. Total investment of RMB30 million
 - ❖ Last traded price on 30 June 2021 was RMB15.34
 - ❖ Last traded price of the Sopo Shares on 10 August 2021 was RMB22.50
- ▶ Moratorium until October 2021

Our Business: Investments

► Going Forward:

- ❖ Work with investee companies operationally to increase growth and value
- ❖ Exit at appropriate stage to recycle capital
- ❖ Continue sourcing for good deals
- ❖ Recurring returns

Our Business: Paper Management

- ▶ For HY2021, revenue of USD380,000
- ▶ To cover costs of factory in Singapore
- ▶ Intention is to continue marketing the factory for sale
- ▶ Given limited potential, no intention to expand in a big way

THANK YOU!!

