

ABUNDANCE INTERNATIONAL LIMITED

SUSTAINABILITY REPORT 2017

Note:

This Sustainability Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Sponsor has not independently verified the contents of this Sustainability Report.

This Sustainability Report has not been examined or approved by the Exchange and the Exchange 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 Sustainability Report.

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BOARD STATEMENT

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present the inaugural sustainability report of Abundance International Limited (the “**Company**” or “**Abundance**”) and its subsidiaries (the “**Group**” or the “**Abundance Group**”) for the financial year ended 31 December 2017. This report has been prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards: Core Option (the “**GRI Standards**”) issued by the Global Sustainability Standards Board, which is a well-known and globally-recognised sustainability reporting framework, and Practice Note 7.6 of the Sustainability Reporting Guide issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

Since the diversification of our Group’s business from printing and paper to include chemicals and investments, our Group’s revenue has increased tremendously. While we continue to work towards better financial performance, we are also mindful of the need to adopt a sustainable approach in formulating our policies, business plans and strategies, and in making major business decisions. We are committed to growth and creating value for our shareholders - but in a way where our environmental impact is minimised, where our staff are treated fairly, and where good governance and ethical business practices are adhered to which will benefit everyone in the long term.

The key material environmental, social and governance (“**ESG**”) factors of the Abundance Group have been reviewed and approved by the Board of Directors. The Board of Directors oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group’s strategic direction and policies. Sustainability is a part of the Abundance Group’s wider strategy to create long term value for all our stakeholders. Going forward, we will continue our efforts to further formalise and build on our sustainability efforts together with our key stakeholders in our journey of being a responsible corporate citizen.

Sam Kok Yin

Managing Director

On behalf of the Board of Directors

ABOUT THE REPORT

This report sets out the relevant key sustainability topics in relation to our business. Corresponding to the GRI Standards' emphasis on materiality, the report highlights the key ESG related initiatives carried out throughout a 12-month period, from 1 January to 31 December 2017, unless stated otherwise.

In defining our reporting content, we applied the GRI's principles for defining report content by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders. We observed a total of four principles, including materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The ESG data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

In line with the Company's commitment to environmental sustainability, no hardcopies of this report have been printed. The report can be viewed on our website: <http://abundance.com.sg/web/index.php/investor-relations-abundance-international-limited>.

We appreciate and value your feedback on this report. We look forward to enhancing our sustainability reporting journey through constructive feedbacks from our stakeholders. Please contact us at contact@abundance.com.sg.

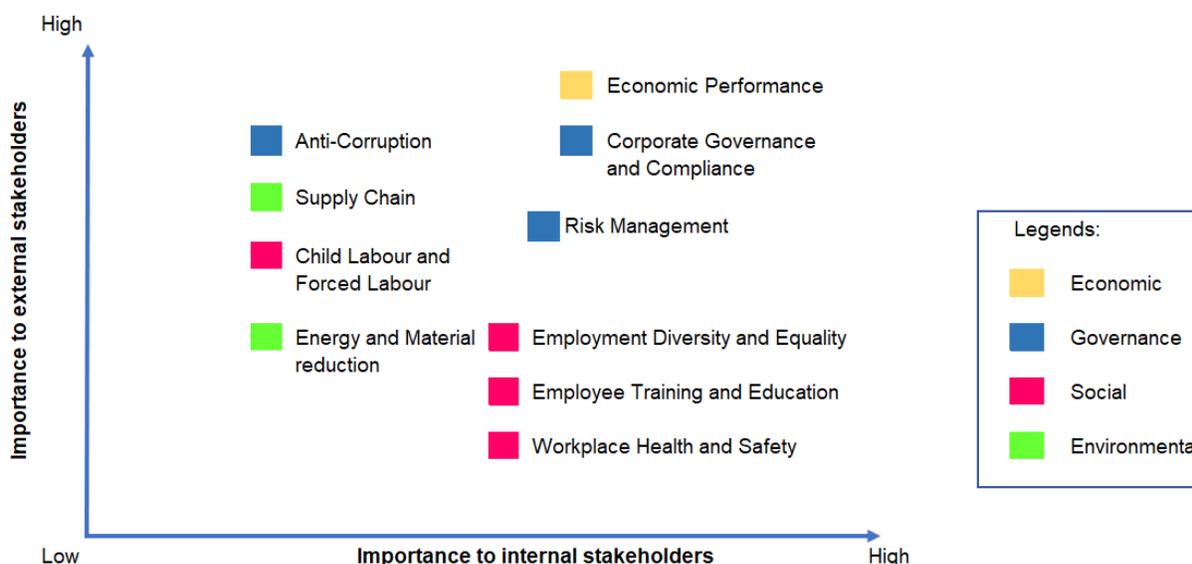
MANAGEMENT APPROACH

The principle of materiality states that our sustainability report should address topics that reflect the Group's significant economic, environmental and social impacts, and/or that substantively influence the assessments and decisions of our stakeholders. Abundance has conducted an informal survey with management and key stakeholders to determine the material sustainability factors. When deciding on investments, first and foremost it is to be expected that economic performance and corporate governance and compliance come at the top of the agenda for both internal and external stakeholders.

Moving into 2019, Abundance will be putting in place measures to monitor all other sustainability factors and ensure that the report helps the Company to grow in a responsible and sustainable manner.

MATERIALITY

Identification of Abundance’s Material Factors



ECONOMIC

Economic Performance

Listed on the Catalist Board of the Singapore Exchange, Abundance started off as a commercial printer of books, calendars and other publications. In 2015, we diversified our business scope to include Chemicals and Investments. With this diversification, Abundance hopes to add new revenue streams, turn profitable and maximise long term value for shareholders.

Today, Abundance is focused on the chemical sector. The potential scope of this business includes manufacturing, trading, storage and the manufacture or trading of equipment, accessories, consumables or peripherals used in the chemical industry and other related business. As a first step into the chemicals business, we entered into a joint venture agreement with Mr Jiang Hao and set up a new joint venture company, Orient-Salt Chemicals Pte. Ltd. (“**OSC Singapore**”), which was incorporated on 5 June 2015. In 2016, we acquired Mr Jiang Hao’s equity interest and OSC Singapore became our wholly-owned subsidiary. OSC Singapore adopts a trading and distribution model. The focus continues to be on the trading of chemicals used primarily for industrial applications which consist of mainly commodity chemicals and, to a lesser extent, specialty chemicals. This trading business is intended to be based primarily in Singapore, Shanghai in the People’s Republic of China (“**PRC**”) and Japan.

The Group's chemical trading business conducted via our subsidiary, OSC Singapore, and its subsidiaries in the PRC and Japan (collectively the "**OSC Group**"), performed well in financial year 2017. Revenue surged to US\$523.9 million, with profit after tax of US\$1.8 million.

As at 31 December 2017, the OSC Group has access to approximately US\$33.7 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 purchased goods from them. With increased support from banks and suppliers, and with our operations achieving a significant scale, we will work towards increasing our profit margins. Tapping on our strong supply and distribution network, we intend to gradually increase the types of chemicals that we trade in.

We are also constantly exploring and evaluating other chemical related investment opportunities. For example, on 14 March 2018, we announced that the Company had entered into a joint venture agreement with a Japanese incorporated company in relation to a new joint venture company, Zhangjiagang Orient-Hill Microorganisms Technology Co., Ltd (the "**JV Company**"). The JV Company shall be engaged in the provision of water treatment solutions using microbial and/or chemicals, particularly (but without limitation) to the chemical industry in the PRC. The JV Company has been established on 5 June 2018. It has yet to commence operations as at the date hereof.

Starting with a small amount of US\$0.15 million, 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 2017, this portfolio consisting of cash and listed equities amounted to US\$0.23 million.

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

As for the printing business, as previously announced, the Group has ceased internal production. Any outstanding and new sales orders that have been or may be received in respect of the printing business will be outsourced to other printers to produce on behalf of the Group.

To ensure stability and sustainability, Abundance aims to enhance shareholder value by building sustainable, long-term profitability for its shareholders. Profitability is also a key requirement for sustainable development as a responsible company, for customers to trust us, and for our employees to have a stable income

ENVIRONMENTAL

Supply Chain

We are very selective in choosing our business partners. Our directors have deep business relationships with the majority of our business partners and through that we have developed a mutual sense of trust. As part of our vendor assessment, we carefully check their reputation and to date we have had no cause for concern.

Currently, we outsource all handling, transport and storage of chemical products to carefully selected companies which comply with all necessary safety regulations. This ensures there are economies of scale obtained in the companies managing the chemical business and also reduces our footprint in emission in managing and transporting the chemical products. We assess and re-evaluate the performance of our business partners regularly. Instant feedback will be provided to our business partners when issues arise. To date we have not had any environmental or other issues of concern from any of our longtime trusted business partners.

We believe that securing a pool of like-minded business partners that share our commitment to sustainability will mitigate operational and reputation risk.

Energy and Material Reduction

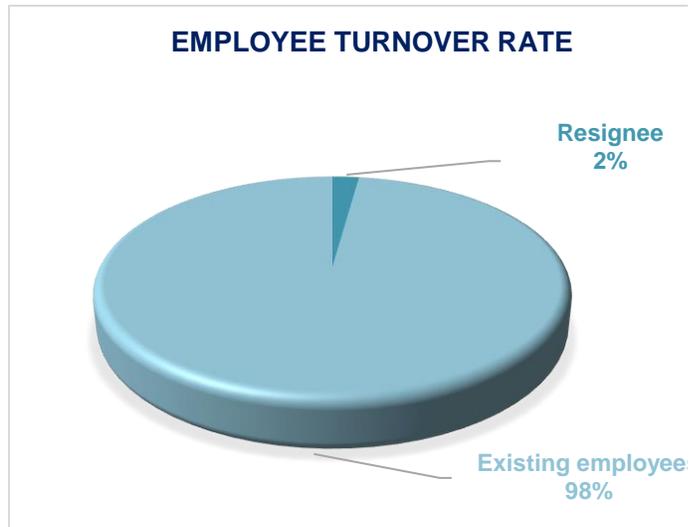
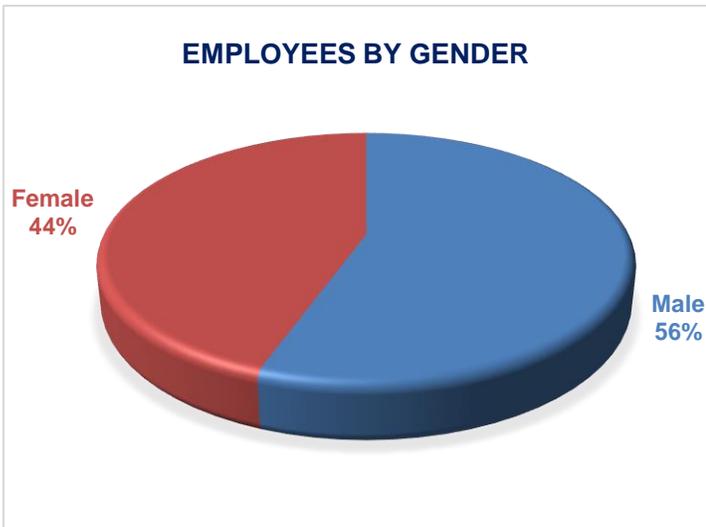
In line with the concerns of global warming, the Group has undertaken environmentally-friendly measures to reduce energy usage and office consumables. In the future, we are looking to implement additional initiatives to minimise the energy usage and office consumables within the Group. Please refer to the “Corporate Social Responsibility” in page 40 of our Financial Year 2017 Annual Report for information on the good environmental practices advocated by the Group.

SOCIAL

Employment Diversity and Equality

Our employees are a mix of Singaporeans, Malaysians, PRC nationals and Japanese. We hire and select our employees on the basis of merit such as skills, experience or ability to perform the job regardless of age, race, gender, religion and or marital status. We view the diversity of our people as a source of strength. We are committed to the promotion of Diversity and Equality and take our responsibility to promote equality of opportunity and eliminate unlawful discrimination seriously. Abundance Group has an equal remuneration policy regardless of gender and nationality.

In formulating employment policies, we are guided by the relevant legislation in establishing our employees' contracts. Our goal is to develop and maintain a healthy and positive working environment, which creates mutual respect and dignity and enables everyone to realise their full potential. We are proud that during our short history only less than 2% of the total employee count has left the Group and we will continue to strive to make sure that everyone feels confident and comfortable at home in Abundance.



Employee Training and Education

It is our strong belief that long-term success is dependent on the strength and depth of our talent pool. We believe that it is our best interest to invest in the career of our employees through continuous learning. We do this by providing ample on-the-job training for employees as and when needed, as well as exposing them to development opportunities where they can get to undertake challenging projects or assignments. We have also sent our employees to attend relevant courses relating to the business.

Workplace Health and Safety

Staff safety is of utmost important to us. We strive to provide and maintain a healthy and safe working environment to minimise the likelihood and impacts of hazards occurring. In Singapore, we appointed a part time Fire Safety Manager and formed our Company Emergency Response Team (“CERT”) in compliance with the Fire Safety Act. We sent our employees to attend various safety-related trainings such as first-aid course, fire safety course to raise their awareness and emergency preparedness.

Child Labour and Forced Labour

We will not tolerate the use of child labour and forced labour, in any of our operations and facilities or within our supply chain. We are firmly opposed to all forms of child exploitation and forced labour. We are committed to prevent and eliminate child labour and forced labour wherever it occurs in our supply chain. We do not deal with supply chain partners who do not share our views on zero tolerance for child labour.

GOVERNANCE

Corporate Governance and Compliance

The Group strives to maintain a high standard of corporate governance to safeguard the interests of all its stakeholders where possible. The Board of Directors and senior management will endeavor to align the Group's governance framework with the recommendations of the Singapore Code of Corporate Governance 2012 and will continue to review its practices on an ongoing basis. Please refer to the "Report on Corporate Governance" in page 17 to 40 of our Financial Year 2017 Annual Report for information on the Group's corporate governance practices.

In Financial Year 2017, there were no incidences of non-compliance with laws and/or regulations resulting in significant fines and sanctions. We aim to maintain this level of performance.

Risk Management

The Group has in place several risk management measures to manage its exposure to risks that are associated with the conduct of its business. Please refer to the "Report on Corporate Governance" in page 31 to 32 of our Financial Year 2017 Annual Report for more details. Going forward, we endeavor to develop our risk management measures further as our business diversifies.

Anti-Corruption

We do not engage in bribery or any form of financial crime. We must never offer, promise or give bribes in connection with our business and we must never ask for or accept bribes. We strive to uphold all laws aimed at countering corruption in all jurisdictions in which we operate.

To reinforce a culture of good business ethics and governance, we have a whistle blowing policy to provide well-defined and accessible channels in the Group through whereby employees of the Group may raise their concerns and possible improprieties, fraudulent activities, malpractices within the Group. Please refer to page 35 of our Financial Year 2017 Annual Report for information on the Group's whistle blowing policy.

We aim to formalise our Anti-Corruption policy in next report.