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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:
Mr Shi Jiangang (Executive Chairman)
Mr Sam Kok Yin (Managing Director)
Mr Jiang Hao (Executive Director)

Non-Executive:
Mr Chan Cher Boon (Lead Independent Director)
Mr Francis Yau Thiam Hwa (Independent Director)
Mr Tham Hock Chee (Independent Director)

AUDIT COMMITTEE

Mr Francis Yau Thiam Hwa (Chairman)
Mr Chan Cher Boon
Mr Tham Hock Chee

NOMINATING COMMITTEE

Mr Chan Cher Boon (Chairman)
Mr Francis Yau Thiam Hwa
Mr Tham Hock Chee

REMUNERATION COMMITTEE

Mr Tham Hock Chee (Chairman)
Mr Francis Yau Thiam Hwa
Mr Chan Cher Boon

COMPANY SECRETARIES

Ms Ong Beng Hong
Ms Tan Swee Gek

CORPORATE INFORMATION

REGISTERED OFFICE
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contact@abundance.com.sg

SHARE REGISTRAR
B.A.C.S. Private Limited
8 Robinson Road #03-00 ASO Building
Singapore 048544

AUDITORS
Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place,
#07-03 Clifford Centre,
Singapore 048621

AUDIT PARTNER-IN-CHARGE
Tei Tong Huat
Appointed wef financial year ended 31 December 2017

BANKERS
Standard Chartered Bank (Singapore) Limited
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad
CIMB Bank Berhad

SPONSOR
Stamford Corporate Services Pte Ltd
10 Collyer Quay #27-00 Ocean Financial Centre
Singapore 049315

MESSAGE TO SHAREHOLDERS

Dear Shareholders

On behalf of the board of directors (the "**Directors**"), I present to you the annual report of Abundance International Limited (the "**Company**") and its subsidiaries (the "**Group**") for the financial year from 1 January 2017 to 31 December 2017 ("**FY2017**"). The results of the prior financial year from 1 January 2016 to 31 December 2016 ("**FY2016**") are used for comparison in the financial and operational review section.

FINANCIAL AND OPERATIONAL REVIEW

Revenues and costs and expenses for FY2017 were much higher as compared to FY2016. Following the commencement of operations of our subsidiary in Shanghai **("OSC Shanghai")** on 1 September 2016, and the granting of more trade facilities by financial institutions to the Group, the Group recorded US$524.0 million of revenue and a corresponding US$506.4 million of cost of goods sold for FY2017. Salaries and employees benefits of US$2.7 million were incurred due to an increase in headcount as OSC Shanghai commenced operations in September 2016. Freight and handling charges of US$7.3 million and other expenses of US$6.4 million were also incurred during FY2017. Other expenses include operating lease expenses, commission expenses, entertainment expenses, bank charges, travelling expenses, and legal and professional fees. A provision for taxation and tax expenses was recorded as the chemical trading business made profits for FY2017. Earnings before interest, taxes, depreciation and amortization for FY2017 was US$1.5 million.

The Group ceased internal production in respect of the printing business on 31 December 2015. Starting from FY2016, any outstanding and new sales orders that have been or may be received in respect of the printing business has been and will continue to be outsourced to other printers to produce on behalf of the Group. Based on the requirements of FRS105, non-current assets held for sale and discontinued operations, all incomes and expenses relating to the printing business for FY2015 and FY2016 were classified as discontinued operations. In addition, all assets and liabilities relating to the printing business for FY2015 and FY2016 were classified as assets directly associated with discontinued operations and liabilities directly associated with discontinued operations respectively. However, since the Group has not disposed of the property relating to the printing business after 2 years (since the reclassification), incomes, expenses, assets and liabilities relating to the printing business would have to be treated as items relating to continuing operations for FY2017. As such, other income increased by US$0.4 million, depreciation increased by US$0.8 million, and losses from discontinued operations decreased by US$0.1 million due to the above mentioned reclassification. Increase in other income is mainly due to a gain on disposal of paper inventory during FY2017 and depreciation relates to the property associated to the printing business.

Finance costs increased by US$0.9 million due to a non-cash interest expense recorded in relation to the rights issue undertaken by the Company in FY2017 (the "**Rights Issue**"). Following the allotment and issuance of 642,750,000 bonds with warrants on 31 January 2017, US$3.4 million of borrowings (classified as long term liabilities) and US$4.8 million of warrants (classified as other equity instruments) were recorded by the Group as at 31 December 2017. As the Bonds were issued at a discount, a non-cash interest expense of US$0.9 million were recorded during FY2017.

The net proceeds from the Rights Issue has been fully utilised as set out in the Offer Information Statement dated 5 January 2017. S$1,887,000 has been used to repay amounts owing incurred by the printing business whereas S$6,293,000 has been used as working capital for the Group's chemical trading business for the purchase of inventories.

Property, plant and equipment, other provisions, and deferred tax increased by US$13.8 million, US$0.01 million and US$1.9 million respectively, whilst assets directly associated with discontinued operations and liabilities associated with discontinued operations decreased by US$14.2 million and US$3.4 million respectively, as a result of the reclassification from assets and liabilities associated with discontinued operations in FY2017.

In line with the growth in revenue, trade and other receivables, trade payables and advances from customers increased. Advances and prepayments, mainly relating to payments made to suppliers for the procurement of goods decreased as a result of the Group's increased usage of trade facilities granted by financial institutions. Other payables and accruals decreased mainly due to repayments made during FY2017.

The Group bought additional quoted equity investments which were classified as fair value through profit or loss investments during the financial year. Available for sale financial assets which were held at prior financial year end were disposed during the financial year.

As a result of repayments, amounts due to directors decreased.

SUBSEQUENT DEVELOPMENTS

Subsequent to FY2017, the Company had on 14 March 2018 entered into the following agreements:

- a joint venture agreement (the "**JVA**") with a Japanese incorporated company (the "**JV Partner**") to incorporate and operate an Enterprise Wholly-Owned by Foreign Investor (the "**JV Company**") in the People's Republic of China (the "**PRC**") (the "**Joint Venture**"), pursuant to which the JV Partner and the Company each hold 30% and 70% of the registered share capital of the JV Company respectively; and

- a put and call option agreement (the "**PCOA**") with Mr Shi Jiangang (Executive Chairman of the Company) in respect of a put and call option over certain shares held by the Company representing 40% of the registered share capital of the JV Company at the time of incorporation (the "**SJG Option Shares**"), pursuant to the grant by Mr Shi Jiangang of an interest-free loan of RMB2,400,000 (the "**Loan**") to the Company, being the amount to be contributed for 40% of the registered share capital of the JV Company .

The JV Company will be incorporated as a limited liability company under the laws of the PRC. Pursuant to the governing laws of the PRC, the business licence of the JV Company is subject to the approval of the State Administration for Industry and Commerce of the PRC and the establishment date (the "**Establishment Date**") of the JV Company shall be the approval date of the Business Licence issued by the SAIC.

The JV Company will principally 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.

As previously announced, the Company is constantly exploring and evaluating chemical related investment opportunities. Given the recent emphasis placed by the PRC government on environmental protection, the Company is optimistic about the potential of the water treatment industry in the PRC. The Company is targeting factories producing chemicals as the pollution level for waste water is typically higher than normal municipal waste water and therefore, harder to treat. With the expertise of the JV Partner, the Company is confident of providing a superior water treatment solution at a lower cost as compared to other existing water treatment service providers in the PRC. The Parties have conducted preliminary testing as well as market research on the JV Company's technology and is of the opinion that the JV Company's technology can provide the same water treatment services at a lower cost.

Leveraging on the strong network, expertise and existing infrastructure in the PRC of Jiangsu Feixiang Chemical Co., Ltd and its related companies (the "**Feixiang Group**"), a sizeable chemical group controlled by Mr Shi Jiangang, the Company was able to undertake this Joint Venture with a relatively small investment amount. While the initial discussions envisaged the Feixiang Group taking a 40% stake in the JV Company alongside the JV Partner and the Company, pursuant to further discussions between the parties and taking into consideration the JV Partner's preference to keep the transaction simple and to deal with a single party during the initial operating period of the JV Company, the parties have agreed that the Company will take a 70% stake in the JV Company and sign the PCOA with Mr Shi Jiangang.

Please refer to the Company's announcement dated 14 March 2018 for more details of the JVA and PCOA.

LOOKING AHEAD

Chemical Business

The Group's chemical trading business, conducted via its subsidiary, OSC Singapore, and its subsidiaries in the People's Republic of China and Japan (collectively the "**OSC Group**"), performed well in FY2017. 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.

<u>Investment Business</u>

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. Please refer to the Company's announcement of 1 September 2016 for more details on Abundance Investments Pte. Ltd..

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

<u>Printing Business</u>

As previously announced, the Group has ceased internal production in respect of the printing business. 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. It is expected that revenue contribution from the printing business for FY2018 will be insignificant.

APPRECIATION

We would like to express our gratitude and utmost appreciation to our valued shareholders, customers, business partners and associates for their continuous support, trust and confidence in us during this transitional period. We will continue our efforts to enhance shareholder value. We also wish to thank our management team and employees for their diligence and commitment to the Group.

Shi Jiangang
Executive Chairman
6 April 2018

BOARD OF DIRECTORS

Shi Jiangang
Executive Chairman

Mr Shi Jiangang was appointed as a Director of the Company and Executive Chairman on 25 September 2014, following the completion of the bonds issue and the placement issue on 25 September 2014. He was last re-elected a Director on 26 April 2017.

As Executive Chairman, Mr Shi is responsible for the overall business operations and management of the Group's business, particularly in the new chemical and investment businesses. Mr Shi has been the President of the Feixiang group of companies (the "**Feixiang Group**") since 2001. The Feixiang Group mainly operates in the chemicals industry. Currently, Mr Shi has other diversified business interests, including property development in both the PRC and Sydney, Australia.

Sam Kok Yin
Managing Director

Mr Sam Kok Yin was appointed as a Director and Executive Director of the Company on 25 September 2014, following the completion of the bonds issue and the placement issue on 25 September 2014. He was last re-elected a Director on 28 January 2015 and was re-designated as the Managing Director of the Company on 19 August 2016. As the Managing Director, Mr Sam is responsible for the overall business operations and management of the Group's business, particularly in the new chemical and investment business.

Mr Sam was a practicing Advocate and Solicitor from 2001 to 2007, and subsequently from 2009 to July 2010. From February 2011 to December 2011, Mr Sam was the Deputy Chairman and chief executive officer of Sun East Group Limited, a company listed on the mainboard of the SGX-ST. Mr Sam has been involved in various listings, merger and acquisitions, white knight rescues and other corporate exercises.

Mr Sam obtained his honours degree in law from the National University of Singapore in 2000.

Jiang Hao
Executive Director

Mr Jiang Hao was appointed a Director and Executive Director of the Company on 16 August 2017. He has many years of working experience in the trading of commodity chemicals. From 1993 to 1996, he worked in Nanyang Corporation Limited, doing chemical trading. From 1997 to 2002, he was in China Salt Company Shanghai Branch, a state owned enterprise, doing sales and marketing of chemicals. From 2002 to 2015, he was heading and was the largest shareholder of Shanghai Orient-Salt Chemicals Co., Ltd. – a successful commodity chemical trading house in China.

BOARD OF DIRECTORS

Chan Cher Boon
Lead Independent Director

Mr Chan Cher Boon was appointed a Director of the Company on 6 December 2007. He was last re-elected a Director on 29 April 2016. Mr Chan is also Chairman of the Company's Nominating Committee, and a member of the Audit and Remuneration Committees. He was appointed the Lead Independent Director of the Company on 13 May 2009. He is professionally qualified in accountancy and law and has diverse experiences in both fields of work in a number of countries with different legal jurisdictions and financial environments. His expertise in corporate and business law and in corporate finance, mergers and acquisitions was gained through his services with Price Waterhouse (in the United Kingdom, Australia and South East Asia), with Standard Chartered Group (in London and Singapore) and through his own legal practice. He has served as CEO of public listed companies in Hong Kong and Singapore and as an independent director of several public listed companies.

Francis Yau Thiam Hwa
Independent Director

Mr Francis Yau Thiam Hwa was appointed a Director of the Company on 2 January 2015. He was last re-elected a Director on 29 April 2016. Mr Francis Yau is also Chairman of the Company's Audit Committee, and a member of the Nominating and Remuneration Committees. He graduated from the National University of Singapore with a Bachelor in Business Administration (Major in Finance). His experience spans over 29 years across a wide spectrum of expertise and achievements, ranging from corporate banking, financial and risk management, strategic planning and implementation and corporate finance/mergers & acquisitions to the management of the corporate affairs in a public listed company and has a good knowledge of corporate governance, investor relations, international markets, business practices and trade regulations in major markets in Asia. He is currently the Chief Financial Officer of Megachem Ltd, a Catalist listed company in Singapore and had served on the board of a Singapore listed company.

Tham Hock Chee
Independent Director

Mr Tham Hock Chee was appointed a Director of the Company on 2 January 2015. He was last re-elected a Director on 26 April 2017. Mr Tham is also Chairman of the Remuneration Committee, and a member of the Audit and Nominating Committees. He graduated from the University of Hamburg with a Bachelor in Industrial Engineering. His experience spans over 40 years across different industries (both local and foreign companies and Singapore statutory bodies, namely TDB and EDB) and has a wide spectrum of expertise and achievements. He has served on the boards of several Singapore listed companies.

Key Management Personnel

Lee Wai Keong Michael
Financial Controller

Mr Lee Wai Keong, Michael is responsible for the financial management and accounting functions of the Company. He was previously from Ernst & Young Singapore before he joined the Company. He holds a Bachelor of Accountancy degree from Nanyang Technological University and is a non-practising member of the Institute of Singapore Chartered Accountants (ISCA). Mr Lee started in the Company as Accounting Manager in 2008 and was subsequently promoted to Finance Manager. On 31 March 2016, he was promoted to Financial Controller.

STATISTICS OF SHAREHOLDINGS AS AT 14 MARCH 2018

Issued and fully paid-up capital	:	$45,305,262.10
Number of shares issued	:	642,750,000 ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not hold any Treasury Shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	1	0.08	36	0.00
100 - 1,000	759	58.65	734,275	0.11
1,001 - 10,000	284	21.95	1,506,600	0.23
10,001 - 1,000,000	231	17.85	27,569,320	4.29
1,000,001 and above	19	1.47	612,939,769	95.37
	1,294	100.00	642,750,000	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 14 MARCH 2018
(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%(8)	Deemed Interest	%(7)
Shi Jiangang	238,405,706	37.09	-(5)	-
Sam Kok Yin (1)	-	-	105,411,100(6)	16.40
Ong Kwee Cheng (Dora) (2)	9,151,359	1.42	57,118,600	8.89
Chan Charlie (3)	2,000,000	0.31	64,269,959	10.00
Chan & Ong Holdings Pte Ltd (4)	55,118,600	8.58	-	-
Jiang Hao(7)	117,600,000	18.30	-	-

Notes:

(1)Mr Sam Kok Yin, the Managing Director of the Company, is deemed to have an interest in the shareholding of Ms Tan Hui Har, by virtue of their relationship as husband and wife. Ms Tan Hui Har holds 10,159,000 shares in the capital of the Company. Mr Sam Kok Yin is also deemed to have an interest in the 95,252,100 shares held in the name of Raffles Nominees (Pte). Ltd, a nominee company.

(2)Mdm Ong Kwee Cheng (Dora) is deemed to have an interest in the shareholding of (3)Mr Chan Charlie and vice versa by virtue of their relationship as husband and wife.

Mdm Ong Kwee Cheng (Dora) and Mr Chan Charlie are the Directors of (4)Chan & Ong Holdings Pte Ltd (**C&O**") and their shareholdings are 77% and 23% respectively. Accordingly, they are deemed to be interested in C&O's 55,118,600 shares in the capital of the Company.

(5) Mr Shi Jiangang is deemed to be interested in 377,155,706 unissued Shares that will be issued to him in the event of the exercise of the call options and warrants granted to him. Such unissued Shares constitute 58.68% of the existing share capital of 642,750,000 and 25.22% of the further enlarged share capital of the Company, being 1,495,500,000 Shares, assuming that (1) the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin (as disclosed in the Company's announcement dated 8 May 2014) are exercised and (2) all the warrants issued pursuant to the Company's rights issue on 31 January 2017 (and as disclosed in the Company's announcement dated 31 January 2017 on the same) (the "**Rights Issue**") are exercised.

SHAREHOLDERS' INFORMATION (CONT'D)

(6) Mr Sam Kok Yin is deemed to be interested in 209,245,600 unissued Shares that will be issued to him in the event of the exercise of the call options and warrants granted to him. Such unissued Shares constitute 32.55% of the existing share capital of 642,750,000 and 13.99% of the further enlarged share capital of the Company, being 1,495,500,000 Shares, assuming that (1) the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin (as disclosed in the Company's announcement dated 8 May 2014) are exercised and (2) all the warrants issued pursuant to the Rights Issue are exercised.

(7) Mr Jiang Hao is deemed to be interested in 117,600,000 unissued Shares that will be issued to him in the event of the exercise of the warrants granted to him pursuant to the Rights Issue. Such unissued Shares constitute 18.30% of the existing share capital of 642,750,000 and 7.86% of the further enlarged share capital of the Company, being 1,495,500,000 Shares, assuming that (1) the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin (as disclosed in the Company's announcement dated 8 May 2014) are exercised and (2) all the warrants issued pursuant to the Rights Issue are exercised.

(8) Calculated based on the Existing Issued Share Capital of 642,750,000 Shares. The shareholding of each substantial shareholder as well as the Existing Issued Share Capital, do not take into account the European style warrants issued by the Company on 31 January 2017.

SHAREHOLDERS' INFORMATION (CONT'D)

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Phillip Securities Pte Ltd	384,019,706	59.75
2.	Raffles Nominees (Pte) Ltd	95,303,300	14.83
3.	Chan & Ong Holdings Pte Ltd	55,118,600	8.58
4.	UOB Kay Hian Pte Ltd	24,335,800	3.79
5.	Tan Hui Har	10,159,000	1.58
6.	Ong Kwee Cheng @ Dora Chan	9,151,359	1.42
7.	Citibank Nominees Singapore Pte Ltd	7,075,900	1.10
8.	Kong Hwai Ming	6,553,800	1.02
9.	Lum Tain Fore	4,000,000	0.62
10.	Koh Boon Tong	2,860,000	0.45
11.	Goon Eu Jin Terence	2,423,900	0.38
12.	OCBC Securities Private Ltd	2,012,104	0.31
13.	Chan Charlie	2,000,000	0.31
14.	Ng Ching Thiam	1,635,500	0.25
15.	BNP Paribas Nominees Singapore Pte Ltd	1,500,000	0.23
16.	Thio Seng Tji	1,430,000	0.22
17.	Chong Eng Teik Kenneth	1,200,000	0.19
18.	Tan Weiren Vincent (Chen Weiren Vincent)	1,150,000	0.18
19.	Tan Thuan Keng	1,010,800	0.16
20.	Ramesh s/o Pritamdas Chandiramani	989,300	0.15
	Total	613,929,069	95.52

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 14 March 2018, approximately 17.50% of the issued ordinary shares of the Company is held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules"). Accordingly, Rule 723 of the Catalist Rules is complied with.

STATISTICS OF WARRANTHOLDINGS AS AT 14 MARCH 2018

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholding			Number of Warrantholders	%	Number of Warrants	%
1	-	99	0	0.00	0	0.00
100	-	1,000	3	2.46	2,100	0.00
1,001	-	10,000	14	11.48	89,500	0.02
10,001	-	1,000,000	88	72.13	21,681,400	3.37
1,000,001		and above	17	13.93	620,977,000	96.61
			122	100.00	642,750,000	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Number of Warrants	%
1.	Phillip Securities Pte Ltd	392,635,806	61.09
2.	Sam Kok Yin (Shen Guoxian)	127,836,600	19.89
3.	UOB Kay Hian Pte Ltd	25,300,000	3.94
4.	Maybank Kim Eng Securities Pte Ltd	14,962,800	2.33
5.	Chan & Ong Holdings Pte Ltd	10,600,000	1.65
6.	Tan Hui Har	10,159,000	1.58
7.	Morgan Stanley Asia (S) Securities Pte Ltd	8,806,600	1.37
8.	Goon Eu Jin Terence	8,736,894	1.36
9.	Lum Tain Fore	4,700,000	0.73
10.	Koh Boon Tong	3,560,000	0.55
11.	Ramesh s/o Pritamdas Chandiramani	3,200,000	0.50
12.	Ong Kwee Cheng @ Dora Chan	2,636,000	0.41
13.	Eng Koon Hock	2,400,000	0.37
14.	Thio Seng Tji	1,530,000	0.24
15.	Edmun Seng Chian Song	1,500,000	0.23
16.	Leong Chan Teik	1,250,000	0.19
17.	Tan Lye Seng	1,163,300	0.17
18.	Chen Yuan Melvin	1,000,000	0.16
19.	Gan Seng Kuei	1,000,000	0.16
20.	Tay Hui San	1,000,000	0.16
	Total	623,977,000	97.08

CORPORATE STRUCTURE AS AT 31 DEC 2017

Subsidiaries of Abundance International Limited

Craft Print Pte Ltd	100%
Printing Farm Pte Ltd	100%
Abundance Investments Pte Ltd	100%(1)
Orient-Salt Chemicals Pte Ltd	100%(2)

Subsidiaries of Orient-Salt Chemicals Pte Ltd

Touen Japan Co., Ltd	99.41%(3)
Dong Yan Chemical (Shanghai) Co., Ltd.	100%

Notes:

(1) On 1 September 2016, the Company had incorporated a new wholly owned subsidiary.

(2) On 30 December 2016, the Company completed the acquisition of the remaining 49% shares in Orient-Salt Chemicals Pte Ltd, thereby making Orient-Salt Chemicals Pte Ltd a wholly owned subsidiary of the Company.

(3) On 29 February 2016, Touen Japan Co., Ltd issued new shares for JPY5 million to an individual, Mr Zhang Wenqian. After the capital increase, Touen Japan Co., Ltd is 94.12% owned by Orient-Salt Chemicals Pte Ltd and 5.88% owned by Mr Zhang Wenqian. During FY2017, Orient-Salt Chemicals Pte. Ltd acquired from Mr Zhang Wenqian an aggregate of 90 shares representing 5.29% of the issued and paid up share capital of Touen Japan Co., Ltd, thereby increasing its shareholding interest in Touen Japan Co., Ltd from 94.12% to 99.41%.

FINANCIAL HIGHLIGHTS

Abundance International Limited and its subsidiaries

	FY2013 S$'000	FY2014 S$'000	FP2015(1)(2) S$'000	FY2016(1)(3) US$'000	FY2017(3) US$'000
Turnover-Printing(Outsourced and Internal)	14,606	13,299	13,414	756	127
Turnover-Chemicals	-	-	-	109,125	523,890
Total Turnover	**14,606**	**13,299**	**13,414**	**109,881**	**524,017**
Earnings/(losses) before Interest, taxes, depreciation and amortization	**(1,726)**	**(2,159)**	**(6,902)**	**81**	**1,487**
Property, plant and equipment	**24,933**	**24,873**	**21,047**	**13,746**	**13,890**
Loss attributable to Shareholders	**(3,731)**	**(3,929)**	**(9,235)**	**(532)**	**(683)**
Net Tangible Assets attributable to Shareholders	**18,098**	**30,817**	**17,451**	**18,889**	**24,280**

Note:

(1) Inclusive of continuing and discontinued operations
(2) Covers a period of 15 months from 1 October 2014 to 31 December 2015
(3) With effect from 1 January 2016, the presentation currency of the Group has been changed from S$ to US$

Turnover by Geographical Segments	FY2013 S$'000	FY2014 S$'000	FP2015(2) S$'000	FY2016(1) US$'000	FY2017(1) US$'000
Continuing operations					
China	**-**	**-**	**-**	**90,478**	**453,316**
Other Countries in Asia	**-**	**-**	**-**	**10,737**	**46,604**
Others	**-**	**-**	**-**	**8,666**	**24,097**
Discontinued operations					
Asia Pacific	**6,879**	**7,438**	**7,386**	**-**	**-**
North America	**3,039**	**1,769**	**1,505**	**-**	**-**
Europe and Africa	**4,688**	**4,092**	**4,523**	**-**	**-**

Note:

(1) With effect from 1 January 2016, the presentation currency of the Group has been changed from S$ to US$
(2) Covers a period of 15 months from 1 October 2014 to 31 December 2015

REPORT ON CORPORATE GOVERNANCE

The Group strives to maintain a high standard of corporate governance to safeguard the interests of all its stakeholders where possible.

The Company recognises that good corporate governance establishes and maintains a legal and ethical environment, which is essential for preserving and enhancing the interests of all stakeholders. In keeping with its commitment to a high standard of corporate governance, the board of directors (the "**Board**") and senior management (the "**Management**") will endeavour to align the Group's governance framework with the recommendations of the Code of Corporate Governance 2012 (the "**2012 Code**").

This report describes the corporate governance framework and practices of the Company that were in place throughout the financial year ended 31 December 2017 ("**FY2017**") under review, with specific reference to the 2012 Code. The Company confirms that it has adhered to the principles and guidelines set out in the 2012 Code, where applicable, relevant and practicable to the Group. Any deviations from the guidelines of the 2012 Code or areas of non-compliance have been explained accordingly.

A. BOARD MATTERS

The Board works closely with Management for the long-term success of the Group. As at the date of this report, the Board comprises the following members:

Shi Jiangang	(Executive Chairman)
Sam Kok Yin	(Managing Director)
Jiang Hao	(Executive Director)
Chan Cher Boon	(Lead Independent Director)
Francis Yau Thiam Hwa	(Independent Director)
Tham Hock Chee	(Independent Director)

A description of the background of each director of the Company ("**Director**") is presented in the "Board of Directors" section of this annual report, as set out on page 8 to page 9.

THE BOARD'S CONDUCT OF ITS AFFAIRS (PRINCIPLE 1)

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders and for overseeing the management of the business affairs, corporate affairs and the overall performance of the Group. Board members are expected to act in good faith and exercise independent judgment in the best interests of the Group.

Apart from its fiduciary duties, the Board's principal role and responsibilities include:

- providing effective leadership, guiding and setting corporate strategic objectives and directions to ensure that the necessary financial and human resources are in place for the Group to achieve its objectives;

- reviewing the processes relating to the adequacy of internal controls, including information technology ("**IT**") controls, addressing financial, operational, IT and compliance risk areas identified by the Audit Committee that needed to be strengthened for assessment and its recommendations on actions to be taken to address and monitor the areas of concern;

- approving broad policies, strategies and financial objectives of the Company;

- reviewing the performance of the Group towards achieving adequate shareholders' value, including but not limited to the declaration of interim and final dividends, if applicable, approval of announcements relating to financial results of the Group and the audited financial statements, and timely announcements of material transactions;

- approving annual budgets, key operational matters, corporate or financial restructuring, major funding proposals, investment and divestment proposals and making decisions in the interests of the Group;

- approving major acquisitions and disposals of assets and interested person transactions of a material nature;

- approving all Board appointments/re-appointments and appointments of key personnel;

- evaluating the performance and compensation of Directors and Key Management Personnel;

- overseeing the proper conduct of the Company's business, setting the Group's values and standards and reviewing the corporate governance processes; and

- considering sustainability issues, such as environmental and social factors, as part of its strategic formulation of the Group's future business directions and operations.

The approval of the Board is required for any matters which is likely to have a material impact on the Group's operating units and/or financial positions as well as matters other than in the ordinary course of business. The Board believes that when making decisions, all Directors act objectively and in the interest of the Company.

Board Committees

To facilitate effective management, assist the Board in executing its responsibilities and enhance the Group's corporate governance framework, the Board delegates specific authority to three Board Committees namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**").

All Board Committees comprise only Independent Directors and are chaired by an Independent Director. These committees function within clearly defined terms of reference and operating procedures.

The Board accepts that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in their specific areas respectively, the ultimate responsibility for the decisions and actions rest with the Board and the Chairman of the respective Committees will report back to the Board with their decisions and/or recommendations.

Board and Board Committee Meetings

The Board schedules at least two meetings a year to review *inter alia* half-yearly and full-year results, and accounting policies. Ad-hoc meetings will be convened as and when required to address significant transactions and issues that may arise in-between the scheduled meetings. These meetings are scheduled in advance to facilitate the individual Director's planning in view of their ongoing commitments. To ensure maximum Board participation, the Company's Constitution provides for meetings to be held via telephone, electronic or other communication facilities which permits all persons participating in the meeting to communicate with each other simultaneously. Members of Management are invited to attend the meetings to present information and/or render clarification when required.

Where physical Board and Board Committee meetings are not possible, timely communication with members of the Board or Board Committees can be achieved through electronic means and circulation of written resolutions for approval by the relevant Board and Board Committee members.

Directors may request further explanation, briefing or discussion on any aspect of the Group's operation or business from Management. When circumstances require, Board members exchange views outside the formal environment of Board meetings.

Details of Directors' attendance at the Board and Board Committees meetings held in FY2017 are disclosed in the table below:

	Number of Meetings attended in FY2017			
Name of Directors	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Shi Jiangang	0/2	-	-	-
Sam Kok Yin	2/2	2/2[(1)]	1/1[(1)]	1/1[(1)]
Jiang Hao[(2)]	-	-	-	-
Chan Cher Boon	2/2	2/2	1/1	1/1
Francis Yau Thiam Hwa	2/2	2/2	1/1	1/1
Tham Hock Chee	2/2	2/2	1/1	1/1

Notes:

(1) Mr Sam Kok Yin attended the meetings of the Board Committees during the course of FY2017 under review as an invitee.

(2) Mr Jiang Hao was appointed as a Director of the Company on 16 August 2017 after the Company's half year meeting held on 14 August 2017. As the Company did not hold any meetings after 14 August 2017, Mr Jiang Hao did not attend any Board Meetings for FY2017.

While the Board considers Directors' attendance at Board Meetings to be important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

The Board is kept informed of any relevant changes to legislation and regulatory requirements, to enable them to make well-informed decisions and carry out their roles and responsibilities. The Group will consider appropriate training programs for its Directors, especially new Directors, to equip them with the relevant knowledge, where and when required, in connection with their duties and obligations as Directors, under the Companies Act, Cap. 50 (the "**Act**") and Section B of the Listing Rules of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"). The Executive Directors are provided with a Service Agreement setting out the terms and conditions of their appointment.

All newly-appointed Directors would be briefed on and given materials containing the Company's business, operations and governance practices. The Group's policies and procedures are also extended to the Directors to enable them to gain a clear understanding on the levels of authority in relation to transactions. In addition, Directors are provided with the contact numbers and email addresses of key management personnel and the Company Secretaries to facilitate efficient and direct access.

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2)

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board Composition and Independence

The 2012 Code provides that where the Chairman is, *inter alia*, part of the Management team or not an Independent Director, the Independent Directors should make up at least half of the Board. The Company has adhered to the guideline set out in the 2012 Code as at least half of the Board comprises Independent Directors, which bring a strong and independent element to the Board. The Board comprises six Directors, of whom three are Independent Directors. The Independent Directors are Mr Chan Cher Boon, Mr Francis Yau Thiam Hwa and Mr Tham Hock Chee.

The NC reviews annually the independence of each Director based on the definition and criteria set out in the 2012 Code. Each Independent Director is required to complete a confirmation of independence form drawn up based on the guidelines provided in the 2012 Code. Thereafter, the NC reviews the confirmations and recommends its assessment to the Board.

None of the other Directors are related and do not have any relationship with the Company or its related companies or its officers who could interfere or to be reasonably perceived to interfere with the exercise of their independent judgments.

The NC and the Board have determined that each of the Company's Independent Directors is independent and no individual dominates the Board's decision-making process, taking into consideration whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

The 2012 Code stipulates that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

Mr Chan Cher Boon has served on the Board for more than nine (9) years from the date of his first appointment. Taking into account the views of the NC, as well as the need for progressive refreshing of the Board, the Board has reviewed and considered Mr Chan Cher Boon to be independent. Amongst other reasons, Mr Chan Cher Boon has throughout his appointment continuously and constructively challenged the Management on business decisions and remained objective in the discharge of his duties and responsibilities.

In addition, having reviewed the size and composition of the Board to ensure that the size of the Board is conducive for effective discussions and decision-making and that the Board has the appropriate mix of expertise and experience as well as an appropriate balance of Independent Directors, the NC, with the concurrence of the Board, is of the view that:

- the current Board size of six Directors, of which three are Independent Directors, is appropriate and effective;

- the Board has the appropriate mix of expertise and experience, taking into account the nature and scope of the Group's operations, and collectively possesses the necessary core competencies for effective functioning and informed decision-making; and

- the Board is able to exercise independent judgement on corporate matters and issues and avoid domination by any individuals or small groups of individuals in its decision-making process.

As a group, the Executive Directors possess intimate knowledge of the Group's business and the industry in which the Group operates. The Independent Directors provide a broad range of expertise in areas such as business and management experience, human resource, finance, legal and strategic planning experience. The diversity of the Directors' experience allows for useful exchange of ideas and views and is necessary and critical to meet the Group's objectives for an effective Board. A description of the background of each Director is presented in the "Board of Directors" section of this annual report, as set out on page 8 to page 9.

The Independent Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging Management proposals or decisions, the Independent Directors bring independent judgment to bear on business activities and transactions including conflicts of interest or other complexities.

Details of the appointment of each Director, including the date of initial appointment and the date of last re-election as a Director of the Company, as well as their directorships in other listed companies, both current and for the preceding three (3) years, are set out below:

Name	Date of Appointment	Date of last re-election	Past Directorships in Listed Companies	Present Directorships in Listed Companies	Other Principal Commitments
Shi Jiangang	25 September 2014	26 April 2017	Nil	Nil	Mr Shi has investments in various companies involved in, *inter alia*, the chemical, education and property development sectors. However, he is not involved in their day-to-day operations and is involved only in making major decisions.
Sam Kok Yin	25 September 2014	28 January 2015	Nil	Nil	Nil
Jiang Hao	16 August 2017	-	Nil	Nil	General Manager of Dong Yan Chemical (Shanghai) Co., Ltd
Chan Cher Boon	6 December 2007	29 April 2016	Nil	Nil	Director of CCB Management Services Pte Ltd
Tham Hock Chee	2 January 2015	26 April 2017	China Sports International Limited	Ouhua Energy Holdings Limited	Nil
Francis Yau Thiam Hwa	2 January 2015	29 April 2016	Nil	Advancer Global Ltd	Chief Financial Officer of Megachem

CHAIRMAN AND MANAGING DIRECTOR (PRINCIPLE 3)

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of the Chairman and the Managing Director are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the Managing Director are not related to each other.

The Chairman, Mr Shi Jiangang, assisted by the Managing Director Mr Sam Kok Yin, is responsible for the effective working of the Board such as ensuring that Board meetings are held when necessary, assisting in compliance with the Company's guidelines on corporate governance, acting as a facilitator at Board meetings and maintaining regular dialogue with Management on all operational matters, besides being responsible for the overall business operations and management of the Group's business, particularly in the Group's new chemical and investment businesses. The Chairman was unable to attend the Board meetings held during FY2017 due to various commitments and reasons and the Managing Director assisted the Chairman to ensure the effective working of the Board and briefed the Chairman on the Board meetings. Minutes of the Board meetings are circulated to all Directors for their review. The Company Secretaries assist the Chairman in scheduling the Board and Board Committee meetings respectively in consultation with the Financial Controller. The Chairman, assisted by the Managing Director Mr Sam Kok Yin, reviews Board papers before they are presented to the Board and ensures that Board members are provided with adequate and timely information.

All major decisions relating to the operations and management of the Company are jointly and collectively made by the Board after taking into account the opinion of all the Directors. In addition, all major decisions and policy changes are conducted through the respective Board or Board Committees. As such, there is a balance of power and authority and therefore no individual controls or dominates the decision-making process of the Company.

In line with the 2012 Code, since the Chairman is part of the Management team and not an Independent Director, the Company has appointed an Independent Director, Mr Chan Cher Boon, to be the Lead Independent Director. His role is to enhance the independence of the Board and to assist the Chairman in the discharge of his duties when the need arises. He is also available to address shareholders' concerns on issues that cannot be appropriately dealt with by the Chairman or Managing Director.

BOARD MEMBERSHIP (PRINCIPLE 4)

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Nominating Committee

The NC comprises the following Independent Directors:

Chan Cher Boon (Chairman)
Francis Yau Thiam Hwa
Tham Hock Chee

The NC meets at least once during each financial year. Attendances at NC meetings are provided on page 19.

The principal functions of the NC are:

- reviewing the Board structure, size and composition and making recommendations to the Board, where appropriate;

- determining the process for search, nomination, selection and appointment of new Board members and assessing nominees or candidates for appointment and re-election to the Board;

- reviewing Board succession plans for directors, in particular, the Chairman and the Managing Director;

- making recommendations to the Board on the nomination of retiring Directors and those appointed during the year standing for re-election at the Company's annual general meeting, having regard to the Director's contribution and performance and ensuring that all Directors submit themselves for re-election at regular intervals;

- identifying suitable candidates and reviewing all nominations for appointment and re-appointment to the Board;

- assessing the effectiveness of the Board as a whole, and the contributions of each individual Director to the effectiveness of the Board;

- deciding how the Board's performance may be evaluated and to propose objective performance criteria for Board approval;

- determining annually whether a Director is independent, bearing in mind the circumstances set forth in the 2012 Code and any other salient factors;

- reviewing training and professional development programmes for the Board; and

- determining whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple Board representations.

Procedure for the Selection and Appointment of New Directors and the Re-appointment of Directors

The NC has in place a process for the selection of new Directors and the re-appointment of Directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment. In selecting potential new Directors, the NC will seek to identify the competencies and expertise required to enable the Board to fulfil its responsibilities.

Before making its recommendation to the Board, the NC will evaluate the suitability of the nominee or candidate based on his qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board. The NC will also determine if the nominee or candidate would be able to commit time to his appointment having regard to his other Board appointments and principal commitments, and if he is independent.

The evaluation process will also involve an interview or meeting with the nominee or candidate. Recommendations of the NC are then put to the Board for consideration. Any appointments to Board Committees are reviewed and approved at the same time.

Pursuant to its terms of reference, the NC also determines on an annual basis whether a director with multiple board representations is able to and has been adequately carrying out his duties as a director of the Company. As a guide, Directors of the Company should not have more than six listed company board representations and other principal commitments. In view of this and having considered the confirmations received from Mr Chan Cher Boon, Mr Francis Yau Thiam Hwa and Mr Tham Hock Chee, the NC has concluded that any such multiple Board representations had not hindered each Director from carrying out his duties as a Director of the Company and is satisfied that each of these Directors is able to devote adequate time and attention to fulfil his duties as Directors of the Company, despite their multiple board representations.

In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's business and affairs) and his independence. The Board has the discretion to accept or reject the NC's recommendation and its decision is final.

During the course of FY2017 under review, the NC had reviewed and deliberated on the appointment of Mr Jiang Hao as an Executive Director of the Company. Having reviewed and deliberated the strengths, the curriculum vitae and working experience of Mr Jiang Hao, the NC recommended the appointment of Mr Jiang Hao as an Executive Director and which was accepted by the Board who approved the appointment of Mr Jiang Hao as Executive Director of the Company.

All Directors, including newly appointed Directors will be briefed and given an orientation by Management to familiarise themselves with the businesses and operations of the Group. Directors who do not have prior experience or are not familiar with the duties and obligations required of a listed company in Singapore, will undergo the necessary training and briefing.

The Directors also have the opportunity to visit the Group's operating facilities and meet with Management to gain a better understanding of the Group's business operations and governance practices. The Directors may join institutes and group associations of specific interests, and attend relevant training seminars or informative talks from time to time to apprise themselves of legal, financial and other regulatory developments. As an ongoing exercise, the Directors will also be briefed by professionals during Board meetings or at separate seminars on amendments and requirements of the Catalist Rules and other statutory and regulatory changes which may have an important bearing on the Company and the Directors' obligations to the Company, from time to time.

The Directors are required to submit themselves for re-election at regular intervals of at least once every three years. Article 91 of the Company's Constitution provides for one-third of the directors to retire from office by rotation at each Annual General Meeting ("**AGM**") and Article 97 provides for all newly-appointed Directors to retire at the next AGM following their appointments by the Board.

The NC is responsible for the nomination of retiring Directors for re-election. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's business and affairs) and his/her independence. As Mr Jiang Hao was only appointed on 16 August 2017 and has only been in position for approximately six (6) months as at the date of his first NC meeting of the Company, the NC felt that it would not be meaningful to carry out the Board Assessment for Mr Jiang Hao for FY2017.

Accordingly, each of Mr Chan Cher Boon and Mr Francis Yau Tham Hwa will retire by rotation pursuant to Article 91 of the Company's Constitution. The NC, having considered their contributions to the Company as well as Board processes, had recommended the nominations of these Directors for re-election at the forthcoming AGM. As Mr Jiang Hao was appointed subsequent to the FY2016 AGM, he will be required pursuant to Article 97 of the Constitution to retire at the forthcoming AGM and will also be eligible for re-appointment.

The NC had also reviewed the independence of Board members with reference to the guidelines set out in the 2012 Code. The NC is of the view that Mr Chan Cher Boon, Mr Francis Yau Thiam Hwa and Mr Tham Hock Chee are independent and free from any relationship outlined in the 2012 Code. Each of the Independent Directors has also confirmed his independence.

The recommendation of the NC for the nomination of the Directors for re-election was made to the Board. The Board had accepted the NC's recommendations and being eligible, each of Mr Chan Cher Boon and Mr Francis Yau Thiam Hwa will be offering themselves for re-election at the AGM.

BOARD PERFORMANCE (PRINCIPLE 5)
There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board has established a set of criteria for evaluating the effectiveness of the Board and Board Committees, as well as the contribution of each individual Director.

The NC has in place an annual Board performance evaluation to assess the effectiveness of the Board and to facilitate discussion to enable the Board to discharge its duties more effectively. The annual Board performance evaluation is carried out by means of a questionnaire relating to the size and composition of the Board, information flow to the Board, Board procedures and accountability, matters concerning Chairman/Key Management Personnel and standards of conduct of Board members being completed by each individual Director.

The results of the completed questionnaires are collated and the findings analysed and discussed by the NC, before reporting to the Board. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate.

An evaluation of the Board performance was conducted for FY2017. The evaluation exercise provided feedback from each NC member, his views on the Board, procedures, processes and effectiveness of the Board as a whole. The NC and the Board were satisfied with the overall results of the Board performance evaluation for FY2017. The NC would also continue to review its procedures and effectiveness from time to time.

ACCESS TO INFORMATION (PRINCIPLE 6)
In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To assist the Board in fulfilling its responsibilities effectively, Management provides the Board with reports containing complete, adequate and timely information prior to Board meetings. The Board reports include background or explanatory information relating to matters to be brought before the Board. Board members also have full access to any additional information they may require. To facilitate direct and independent access, Board members are provided with the contact details of members of Key Management Personnel and the Company Secretaries.

One of the Company Secretaries and/or her representative(s) also attends all Board and Board committees meetings and is responsible for ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The Board is also periodically updated by the Company Secretary on relevant laws and regulatory changes affecting the Company and concerning the duties and responsibilities of directors.

The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Where decisions to be taken require expert opinion or specialized knowledge, the Directors whether as a group or individually, may seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense. The appointment of such independent professional advisor is subject to approval by the Board.

B. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 7)

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Remuneration Committee

The RC comprises the following Independent Directors:

Tham Hock Chee (*Chairman*)
Chan Cher Boon
Francis Yau Thiam Hwa

The RC meets at least once during each financial year. Attendances at RC meetings are provided on page 19.

The principal functions of the RC are:

- reviewing and recommending to the Board a framework of remuneration for Executive Directors and Key Management Personnel, including employees related to the Executive Directors and controlling shareholders, and to ensure that the framework is competitive and sufficient to attract, retain and motivate Key Management Personnel of the required calibre to run the Company effectively;

- considering what compensation commitments in the Directors' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance;

- reviewing and recommending the remuneration of the Non-Executive Directors, taking into account factors such as their effort, time spent and their responsibilities;

- reviewing whether the Executive Directors and Key Management Personnel should be eligible for benefits under any long-term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith; and

- carrying out other duties as may be agreed by the RC and the Board, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

In reviewing and determining the remuneration packages of the Executive Directors and Key Management Personnel, the RC shall consider, amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and if the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent. The RC makes its recommendation to the Board which has the discretion to accept or vary the recommendations.

If necessary, the RC may seek expert advice inside and/or outside the Company on remuneration of the Directors and key management personnel. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company has not appointed any remuneration consultants for FY2017.

LEVEL AND MIX OF REMUNERATION (PRINCIPLE 8)

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The remuneration structure of the Executive Directors and Key Management Personnel includes a direct performance-based variable component. This is in line with both market and best practices of structuring a proportion of Key Management Personnel's remuneration to be directly linked to corporate and individual performance.

The Company had entered into service agreements with Mr Shi Jiangang and Mr Sam Kok Yin in respect of their appointment as Executive Chairman and Managing Director of the Company respectively whilst the service agreement with Mr Jiang Hao in respect of his appointment as Executive Director was entered into via the Company's wholly-owned subsidiary, Orient-Salt Chemicals Pte Ltd. (each a "**Service Agreement**"). A "claw-back clause" is included in the Service Agreement for Mr Shi Jiangang and Mr Sam Kok Yin to be in line with the recommendations under the 2012 Code, to allow the Company to deduct from the remuneration payable under each Service Agreement any sum due to the Company including, but not limited to, any damage or loss to the Company caused by the respective appointee. As at the date of this Annual Report, Mr Jiang Hao's Service Agreement does not contain any "claw-back clause" and the Company will undertake a review of Mr Jiang Hao's Service Agreement at an appropriate time in the future to determine if any "claw-back clause" should be included.

Annually, the Board submits a proposal for payment of Directors' fees as a lump sum for shareholders' approval at the Company's AGM. This sum is paid to the Non-Executive Directors with those having additional responsibilities as Chairman, members of Board committees or Lead Independent Director receiving a higher portion of the approved fees.

The Board has proposed directors' fees amounting to approximately S$99,000 for FY2017 (FY2016: S$99,000). RC members abstain from deliberation in respect of their own remuneration.

The Company currently does not have any long-term incentive scheme or employee share option scheme.

DISCLOSURE ON REMUNERATION (PRINCIPLE 9)

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Details of the remuneration paid/payable by the Company to the Directors for FY2017 are approximately as follows:

	Name of Directors	FY2017			
		Salary (Including CPF)	**Fees**	**Bonus (Including CPF)**	**Other Benefits**
Below S$500,000 but above S$250,000	Shi Jiangang	100%	0%	0%	0%
	Sam Kok Yin	100%	0%	0%	0%
Below S$250,000	Jiang Hao[(1)]	22%	0%	67.6%	10.4%
	Chan Cher Boon	0%	100%	0%	0%
	Francis Yau Thiam Hwa	0%	100%	0%	0%
	Tham Hock Chee	0%	100%	0%	0%

Note:

(1) Mr Jiang Hao was appointed as a Director of the Company on 16 August. Remuneration information is provided based from the effective date of appointment up till 31 December 2017.

The total remuneration of each Director has not been disclosed in dollars terms given the sensitivity of remuneration matters and to maintain the confidentiality of the remuneration packages of these Directors.

Remuneration of top Key Management Personnel (who are not directors)

The Company had one Key Management Personnel (who is not a Director) for FY2017 under review. The breakdown of remuneration of this Key Management Personnel is set out below:

Remuneration below S$250,000	FY2017			
	SALARY (INCL CPF)	BONUS (INCL CPF)	OTHER BENEFITS	TOTAL
Lee Wai Keong, Michael	85.3%	14.7%	0%	100%

As there was only one Key Management Personnel during FY2017, disclosure was only made in respect of the remuneration of this Key Management Personnel of the Group. The remuneration of this Key Management Personnel did not exceed S$250,000.

The remuneration of this Key Management Personnel has not been disclosed in dollars terms given the sensitivity of remuneration matters and to maintain the confidentiality of the remuneration package of this Key Management Personnel.

Remuneration of Employees who are Immediate Family Members of a Director or the CEO

Remuneration below S$250,000	FY2017			
	SALARY (INCL CPF)	BONUS (INCL CPF)	OTHER BENEFITS	TOTAL
Jiang Jie	100%	0%	0%	100%

During FY2017, there was one employee who is related to a Director or Chief Executive Officer and was in the employment of Touen Japan Co., Ltd, a subsidiary of Orient-Salt Chemicals Pte Ltd. Mr Jiang Jie is Mr Jiang Hao's brother. Mr Jiang Jie's remuneration did not exceed S$250,000.

The remuneration of this employee has not been disclosed in dollars terms given the sensitivity of remuneration matters and to maintain the confidentiality of the remuneration package of this employee.

C. ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY (PRINCIPLE 10)

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board endeavours to ensure that the annual audited financial statements and half-yearly announcements of the Group's results present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through announcements via SGXNET.

RISK MANAGEMENT AND INTERNAL CONTROLS (PRINCIPLE 11)

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for ensuring that there is a sound internal control framework and effective risk management policies to provide reasonable assurance to safeguard shareholders' investments and the Group's assets.

The Group's control environment provides the foundation upon which all other components of internal controls are built upon. It provides discipline and structure, setting the tone of the organisation and influencing the control consciousness of its staff. A weak control environment foundation hampers the effectiveness of even the best designed internal control procedure.

The AC, with the assistance of the internal and external auditors, reviews the adequacy of the Company's internal financial controls, operational, IT and compliance controls, and risk management policies and systems established by the Management on an annual basis.

The internal auditors and external auditors have, during the course of their audit, carried out a review of the effectiveness of key internal controls within the scope of their audit. Non-compliance and internal control weaknesses noted during their respective audits and their recommendations are reported to the AC. It was noted that there were no systemic issues to be highlighted. The AC has reviewed the internal auditors and external auditors' comments and findings to ensure that there are adequate internal controls in the Group and follow up on actions implemented in their next audit review.

In line with the 2012 Code, the AC, with the concurrence of the Board, had adopted a Management Assurance Confirmation Statement ("**Management Assurance Statement**") in May 2013, confirming that the financial records of the Company have been properly maintained, the Company's financial statements give a true and fair view of the Company's operations and finances and an effective risk management and internal control systems have been put in place. The Management Assurance Statement would be signed by the Executive Director and the Financial Controller of the Company and tabled at each half-year and full year meetings. Consequent to the above, the Board noted that the AC had received the duly signed Management Assurance Statement for FY2017 from the Managing Director and the Financial Controller of the Company.

In view of the above and as required under Rule 1204(10) of the Catalist Rules, based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews carried out by Management, various Board Committees and the Board, the Board with the concurrence of the AC are of the opinion that the Group's internal controls, addressing financial, operational, IT and compliance risks in its current business environment, were adequate as at 31 December 2017.

The Board recognises that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The review of the Group's internal control systems is a concerted and continuing process.

In view of the above and as required under Rule 1204(10) of the Catalist Rules, based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews carried out by Management, various Board Committees and the Board, the Board with the concurrence of the AC are of the opinion that the Group's internal controls, addressing financial, operational, IT and compliance risks in its current business environment, were adequate as at 31 December 2017.

On a half-yearly basis, the AC reviews interested person transactions ("**IPTs**").

Risk Management Policies and Processes

The Board currently does not have in place a Risk Management Committee. However, the Board considers risk management as an ongoing process and reviews the Group's business and operational activities on a regular basis to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks to safeguard the assets of the Company and its business viability. Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

The key risks which have been identified and are monitored and managed by the AC and Management and the Board as a whole include, without limitation, the following:

(i) Fall in prices of inventories

Chemicals costs are also subject to fluctuations determined by supply and demand for the material in the global market. To the extent possible, the Group tries to mitigate such risks by passing on this risk to its customers through entering into contracts with suppliers and customers.

(ii) Foreign Currency Risk

The Group is exposed to foreign exchange fluctuations as a significant percentage of its sales are exports and denominated in foreign currencies. To mitigate adverse fluctuations in exchange rates, the Group monitors its foreign currencies transactions to determine if an appropriate functional currency for each entity of the Group has been used and whether an appropriate presentation currency has been used for the Group. The Group also utilises forward contracts to hedge foreign currency transactions.

(iii) Credit Risk

The Group is subject to intense competition in securing new orders and is exposed to credit risk arising from trade receivables. To minimize exposure to bad debts, the Group monitors receivables on an ongoing basis and where possible, request customers for letters of credit to mitigate credit risk.

More information on the Group's risk management policies is provided under Note 36 of the 'Notes to the Financial Statements' of this annual report.

AUDIT COMMITTEE (PRINCIPLE 12)
The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises the following Independent Directors:

Francis Yau Thiam Hwa (*Chairman*)
Chan Cher Boon
Tham Hock Chee

The Chairman of the AC, Mr Francis Yau Thiam Hwa, has extensive background in financial and risk management and is currently the chief financial officer of another Catalist listed company in Singapore. All the AC members, having accounting and related financial management expertise or experience, are appropriately qualified to discharge their responsibilities.

The AC is required by its own terms of reference to meet at least twice a year. Attendances at AC meetings are provided on page 19. The AC meets separately with the internal and external auditors without the presence of Management at least once each year.

The AC carried out the following functions:

- reviewing with the internal and external auditors their audit plan, evaluation of the system of internal controls, audit report, letter to Management and Management's response thereto;

- reviewing the Company's half-year and full year financial statements and announcements including audited financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, going concern statement, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

- reviewing the internal control procedures, ensure co-ordination between the internal and external auditors, co-operation from Management and assistance given to facilitate their respective audits;

- discussing issues and concerns, if any, arising from the interim and final audits, and any matters which the internal and external auditors may wish to discuss in the absence of Management, where necessary;

- reviewing and discussing with the external auditors any suspected fraud irregularity or suspected infringement of any relevant laws, rules or regulations which has or is likely to have a material impact on the Group's operating results or financial position and Management's response thereto;

- ensuring that the internal audit function is adequately resourced and staffed with persons who have the relevant qualifications and experience;

- reviewing annually the cost effectiveness of the audit, independence, objectivity and performance of the internal and external auditors;

- reviewing the scope and results of the internal audit function and ensuring co-ordination between the internal and external auditors and Management;

- making recommendations to the Board on the appointment, re-appointment, resignation and removal of the internal and/or external auditors, including approving the remuneration and terms of engagement of the external auditors;

- reviewing interested person transactions in accordance with the Catalist Rules of SGX-ST;

- reviewing potential conflicts of interests, if any;

- reviewing whistle-blowing arrangements by which, staff of the Company or of the Group or any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters and, to conduct an independent investigation of such matters for appropriate follow up action;

- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- generally undertaking such other functions and duties as may be required by statute or Listing Manual, or by such amendments as may be made from time to time.

The AC has the authority to investigate any matter within its terms of reference. The AC has full access to Management and also has full discretion to invite any director or executive officer to attend its meetings or be provided with reasonable resources to enable it to discharge its functions properly.

The AC meets with the Group's internal auditors and Foo Kon Tan LLP ("**FKT**") and Management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group.

For FY2017, the AC had:

(i) reviewed the internal and external audit plans, including the nature and scope of work before commencement of these audits;

(ii) met up with the internal and external auditors, without the presence of Management, to review and discuss the findings set out in their respective reports to the AC. Both the internal and external auditors confirmed that they had received the full cooperation of Management and no restrictions were placed on the scope of audit;

(iii) reviewed and approved the consolidated statement of comprehensive income, statements of financial position, consolidated statement of changes in equity, consolidated cash flows and auditors' reports;

(iv) conducted a review of the non-audit services provided by FKT. Audit fees amounting to S$77,000 are to be paid to FKT for FY2017. No non-audit fees were paid to FKT for the provision of non-audit services to the Group. FKT had also confirmed their independence in this respect;

(v) confirmed that the Company had complied with Rule 712 of the Catalist Rules in relation to the appointment of a suitable auditing firm to meet its audit obligations.

FKT, the appointed auditors of the Group, is registered with the Accounting and Corporate Regulatory Authority in Singapore. With twelve partners, FKT currently has total staff strength in excess of 300. Tei Tong Huat is the audit partner in charge of the Group for FY2017.

Having considered the various factors including, amongst others, the adequacy of the resources and experience of FKT and the audit engagement partner assigned to the audit, FKT's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff who were assigned to the audit of the Group, the AC was satisfied that the resources and experience of FKT, the Audit Engagement Partner and her team assigned to the team were adequate; and

(vi) confirmed that the Company had complied with Rule 715 of the Catalist Rules in relation to the appointment of the same auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries. The Group's subsidiaries are disclosed under Note 4 of the Notes to the Financial Statements in this annual report.

The AC is kept abreast of the changes to accounting standards and issues which have a direct impact on financial statements by way of updates given by the external auditors at every AC meeting.

In the review of the financial statements, the AC discussed with management and the external auditors on significant issues and assumptions that impact the financial statements. The most significant matter had also been included in the external auditors' report under "Key Audit Matters", namely, Non-underwritten rights issue of zero coupon bonds with detachable warrants. Based on its review as well as discussion with management and the external auditors, the Audit Committee is satisfied that this matter has been properly dealt with and recommended the Board to approve the financial statements for the financial year ended 31 December 2017 and the Board has approved them.

The AC, with the concurrence of the Board, had recommended the re-appointment of FKT as external auditors of the Company at the Company's forthcoming AGM.

The Company has a whistle-blowing policy, which was adopted in May 2007 and which comes under the purview of the AC, to provide well-defined and accessible channels in the Group through whereby employees of the Group may in confidence, raise their concerns and possible improprieties, fraudulent activities, malpractices within the Group in a responsible and effective manner in matters of financial reporting or other matters ("**Whistle Blowing Policy**"). The Whistle Blowing Policy had been updated in November 2013 to extend to "any other persons" in addition to all employees of the Group, in line with the 2012 Code. The objective of the Whistle Blowing Policy is to ensure that arrangements and processes are in place to facilitate independent investigation of such concerns and for appropriate follow-up action. There were no whistle blowing reports received in FY2017.

INTERNAL AUDIT (PRINCIPLE 13)

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has outsourced its internal audit functions to an independent consulting firm, One e-Risk Services Pte. Ltd. The internal auditors ("**IA**") carry out their functions under the direction of the AC, and report their findings and recommendations directly to the AC.

The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The role of the IA is to support the AC in ensuring that the Company maintains a sound system of internal controls by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigation as directed by the AC.

The IA shall remain independent of management and shall report directly to the Chairman of the AC. The IA shall be responsible for the preparation of internal audit plans to be reviewed and approved by the AC.

The AC meets at least once annually to ensure the adequacy of the internal audit functions. The AC reviewed and approved the internal audit plan proposed by the IA.

For FY2017, the AC had reviewed the adequacy of the IA and is satisfied that it is sufficiently resourced and able to perform its functions effectively and objectively.

D. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS (PRINCIPLE 14)

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Act, the Board's policy is that all shareholders should be informed regularly and on a timely basis of all major developments that impact the Group.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcements released on SGXNET. No dividends were declared or paid by the Company in FY2017 as there were no profits for the Group for FY2017.

COMMUNICATION WITH SHAREHOLDERS (PRINCIPLE 15)

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Board is mindful of its obligation to provide full, accurate and timely disclosure of material information in accordance with the Catalist Rules of the SGX-ST. Half-yearly and full-year financial results are announced to shareholders and the public through the SGXNET. The annual report or circular(s) are published and sent to all shareholders on a timely basis. The notice of AGM is dispatched to shareholders with the annual report (together with explanatory notes or a circular/letter to shareholders on items of special business, if applicable) at least 14 days before the AGM if ordinary resolutions are to be transacted at the meeting or at least 21 days before a general meeting if special resolutions are to be transacted at such general meeting. Notices of the Company's AGMs are announced via newspaper publications and the SGXNET. The Company does not practice selective disclosure. In the event that there is any inadvertent disclosure made to a select group, the Company would also make the same disclosure publicly to all others as promptly as possible via an announcement on SGXNET.

In addition, the Company endeavours to maintain constant and effective communication with Shareholders through timely and comprehensive announcements of material and price-sensitive information that are disseminated through SGXNET. Question and Answer sessions are also held at Annual General Meetings and Extraordinary General Meetings to address shareholders' questions and at the same time, understand their views. In summary, the Group's material development and information are disclosed in:

(i) the Company's announcement of periodic financial results on the SGXNET;
(ii) notices of and explanatory memoranda for Annual General Meetings and Extraordinary General Meetings;
(iii) circular or letters to shareholders to provide the shareholders with more information on its major transactions.

Shareholders of the Company may contact the Company at the email address and contact number set out in the section entitled "Corporate Information" of this Annual Report to express any concerns and views on matters relating to the Company.

CONDUCT OF SHAREHOLDER MEETINGS (PRINCIPLE 16)

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board encourages shareholder participation at AGMs and welcomes constructive views on matters affecting the Company. The Board (including the Chairman of the respective Board committees) and Management attend the Company's AGMs to address any questions that shareholders may have.

Each distinct issue is proposed as a separate resolution at the general meeting.

Shareholders are invited to attend shareholders' meetings to put forth any questions they may have on the motions to be debated and decided upon. If any shareholder is unable to attend these meetings, he/she (save for Relevant Intermediaries (as defined under the Act) who are entitled to appoint multiple proxies) is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms which are sent together with the Company's Annual Reports or Circulars. The duly completed and original proxy form is required to be submitted not less than 72 hours before the shareholders' meeting and deposited at the registered office of the Company.

At the AGM, the shareholders are given opportunities to voice their views and seek clarification on issues relating to the Group's business as outlined in the agenda of the AGM Notice.

The Chairmen of the AC, NC and RC, Lead Independent Director and the external auditors are normally present at the AGM to answer questions raised by shareholders.

In line with the Catalist Rules, the Company conducts its voting by poll at its general meetings.

Dealings in the Company's Securities

The Company had adopted a Code of Best Practice on Securities Transactions to provide guidance to its directors, officers and employees with regard to dealings in the Company's securities and implications of Insider Trading (the "**Securities Code**") in compliance with Rule 1204(19) of the Catalist Rules. Under the provisions of the Code of Best Practice on Securities Transactions, the window period for dealing in the Company's securities is closed before the release of the results announcement.

As the Company does not fall within any of the categories in Rule 705(2) of the Catalist Rules, it is not required to announce quarterly results. As such, the "closed window period" only applies before the release of half-yearly and full-year results.

Directors, officers and employees are not permitted to deal in the securities of the Company during the "closed window period", which is one month before the release of half-yearly and full-year results, or when they are in possession of price-sensitive information. Dealing may resume a day after the release of the said announcement.

In addition, the Directors, key officers and employees of the Group are discouraged from dealing in the Company's securities on short-term considerations. The Group confirmed that it had adhered to its Code of Best Practice on Securities Transactions.

INTERESTED PERSON AND RELATED PARTY TRANSACTIONS

The Company has established internal control policies to ensure that transactions with interested persons are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The AC and the Board had reviewed all interested person transactions ("**IPTs**") for FY2017 and were satisfied that the transactions were conducted at arm's length. It was noted that save as described in the table below, the IPTs entered into by the Company in FY2017 were within the threshold limits set out under Chapter 9 of the Catalist Rules and no announcements or shareholders' approval was, therefore, required.

The Company had obtained shareholders' approval for the adoption of an IPT mandate (the "**IPT Mandate**") for FY2017 at an Extraordinary General Meeting of the Company held on 26 April 2017 in respect of transactions that may be entered into between the Group and the following entities which Mr Shi Jiangang is interested in:

(a) Jiangsu Feixiang Chemical Co., Ltd (江苏飞翔化工股份有限公司);
(b) Kellin Chemicals (Zhangjiagang) Co.,Ltd (凯凌化工（张家港）有限公司);
(c) Jiangsu Feymer Technology Co., Ltd (江苏富淼科技股份有限公司)
(d) Nantong Boyi Chemicals Co., Ltd (南通博亿化工有限公司);

(e) Jiangsu Feymer Membrane-Tech Co., Ltd (江苏富淼膜科技有限公司); and
(f) Suzhou Gelan Resin Materials Technology Co., Ltd (苏州歌蓝树脂材料科技有限公司);
(g) Jiangsu Fopia Chemicals Co., Ltd (江苏富比亚化学品有限公司)
(h) Qingdao Fusilin Chemical Science and Technology Co., Ltd (青岛富斯林化工科技有限公司);
(i) Yancheng Hengsheng Chemicals Co., Ltd (盐城恒盛化工有限公司);
(j) Shanghai Tiantan Auxiliaries Co., Ltd (上海天坛助剂有限公司);
(k) Dalian Keduo Envirotech Co., Ltd (大连科铎环境科技有限公司); and
(l) Zhongke Catalyst New Technology (Dalian) Co., Ltd (中科催化新技术（大连）股份有限公司).

Further details of the IPT Mandate are set out in the Circular to Shareholders dated 11 April 2017.

The Company had entered into transactions pursuant to the IPT Mandate during FY2017.

Details of IPTs (excluding transactions less than S$100,000) of the Group for FY2017 are as follows:

	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than $100,000)**
	S$'000	**S$'000**
Kellin chemicals (zhangjiagang) co., ltd (凯凌化工（张家港）有限公司) -Sales and purchases of chemicals	-	44,141
Jiangsu Feymer Technology Co., Ltd (江苏富淼科技股份有限公司) -Sales of chemicals	-	808
Shanghai Xingsu Industries Co., Ltd. (上海兴塑实业有限公司) -Sales of chemicals	168	-
Shanghai Orient-Salt Chemicals Co., Ltd (上海东盐化工有限公司) -Rental of office	153	-

The Board is proposing that the IPT Mandate be renewed at the upcoming Annual General Meeting of the Company. The particulars of the IPTs in respect of which the IPT Mandate is sought to be renewed remain unchanged. For further details on the proposed renewal of the IPT Mandate, please refer to the Letter to Shareholders dated 11 April 2018.

MATERIAL CONTRACTS

There were no material contract entered into by the Company and its subsidiaries which involved the interests of any director or controlling shareholder during FY2017 save for the transactions set out in the "Interested Person and Related Party Transactions" section above.

CORPORATE SOCIAL RESPONSIBILITY

The Group advocates good environmental practices. In line with the concerns of global warming, the Group has undertaken environmentally-friendly measures to reduce energy usage and office consumables. We strive to reduce paper usage by encouraging employees to print on both sides of the paper and print documents only when necessary. We also encourage employees to recycle all used paper and use recycled materials where possible.

Employees are also encouraged to reduce power consumption. Electrical devices are required to be switched off when not in use and lights in the premises appropriately dimmed or switched off after office hours.

We are working to raise the level of awareness of good environmental practices amongst employees and will continue to step up recycling and energy conservation efforts in our operations and business.

In accordance to with the Catalist Rules, the Group will issue its Sustainability Report by December 2018 and upload the full Sustainability Report on SGXNET.

CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. Stamford Corporate Services Pte Ltd ("**Stamford**") is the current continuing sponsor of the Company. In compliance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to Stamford for FY2017.

Directors' statement
for the financial year ended 31 December 2017

We are pleased to submit this statement to the members of the Company together with the audited financial statements for the financial year ended 31 December 2017.

In our opinion,

(a) the accompanying financial statements of the Group and Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, except as disclosed in Note 2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this statement are:

Shi Jiangang (Chairman)
Sam Kok Yin (Managing Director)
Jiang Hao (Executive Director)
Chan Cher Boon (Independent director)
Francis Yau Thiam Hwa (Independent director)
Tham Hock Chee (Independent director)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other corporate body.

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
The Company				
Number of ordinary shares	As at 1.1.2017	**As at 31.12.2017**	As at 1.1.2017	**As at 31.12.2017**
Shi Jiangang	238,405,706	**238,405,706**	-	**-**
Sam Kok Yin (1)	95,252,100	**-**	10,159,000	**105,411,100**
Jiang Hao (appointed on 16 August 2017)	117,600,000	**117,600,000**	-	**-**

Directors' interests in shares or debentures (Cont'd)

The Company	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
Aggregate principal amount of Zero Coupon Bonds (2)	As at 1.1.2017 S$	**As at 31.12.2017 S$**	As at 1.1.2017 S$	**As at 31.12.2017 S$**
Shi Jiangang	-	**4,768,114**	-	**-**
Sam Kok Yin(3)	-	**1,905,042**	-	**203,180**
Jiang Hao	-	**2,352,000**	-	**-**
Number of European Warrants(2)	As at 1.1.2017	**As at 31.12.2017**	As at 1.1.2017	**As at 31.12.2017**
Shi Jiangang	-	**238,405,706**	-	**-**
Sam Kok Yin(3)	-	**127,836,600**	-	**10,159,000**
Jiang Hao	-	**117,600,000**	-	**-**
Number of Option Shares (4)				
Shi Jiangang	138,750,000	**138,750,000**	-	**-**
Sam Kok Yin	71,250,000	**71,250,000**	-	**-**

Notes:

1. Mr Sam Kok Yin, the Managing Director of the Company, is deemed interested in 10,159,000 shares held by his wife, Ms Tan Hui Har. Mr Sam Kok Yin is also deemed to have an interest in the 95,252,100 shares which he to transferred to a nominee company, Raffles Nominees (Pte). Ltd, during the financial year.

2. On 17 June 2016, the Company announced a renounceable non-underwritten rights issue of up to S$12,855,000 in principal amount of zero coupon bonds due 2021, with principal amount of S$0.02 and at an issue price of S$0.016 for each zero coupon bond, with up to 642,750,000 free detachable European Warrants (the "**Warrants**"), with each Warrant carrying the right to subscribe for one new ordinary share at an exercise price of S$0.02 each, on the basis of one Bond of principal amount of S$0.02 each with one free Warrant for every existing share in the capital of the Company. 642,750,000 zero coupon bonds with Warrants had been allotted and issued on 31 January 2017.

3. Mr Sam Kok Yin is deemed interested in the $203,180 aggregate principal amount of zero coupon bonds and the 10,159,000 Warrants held by his wife, Ms Tan Hui Har.

Directors' interests in shares or debentures (Cont'd)

4. On 25 September 2014, S$9,250,000 and S$4,750,000 of non-transferable convertible bonds due on 24 March 2016 were issued to Mr Shi Jiangang and Mr Sam Kok Yin respectively at an exercise price of S$0.05 per share. On 10 December 2014, Mr Sam Kok Yin converted S$3,000,000 of the convertible bonds and was issued and allotted 60,000,000 ordinary shares in the Company. Mr Shi Jiangang did not convert any of the convertible bonds.

   As of 31 December 2015, outstanding convertible bonds were S$9,250,000 and S$1,750,000, which when converted at S$0.05 per share will result in 185,000,000 and 35,000,000 shares allotted to Mr Shi Jiangang and Mr Sam Kok Yin respectively.

   On the due date of the convertible bonds, 24 March 2016, the outstanding convertible bonds were automatically converted resulting in 185,000,000 and 35,000,000 shares in the Company issued and allotted to Mr Shi Jiangang and Mr Sam Kok Yin respectively.

   In consideration of Mr Shi Jiangang's and Mr Sam Kok Yin's subscriptions of the non-transferable convertible bonds, the Company granted them 138,750,000 and 71,250,000 option shares respectively with an exercise price of S$0.05 per share and exercisable anytime between 25 September 2015 and 24 September 2018. As at both 31 December 2016 and 31 December 2017, no options were exercised.

Mr Shi Jiangang, Mr Sam Kok Yin and Mr Jiang Hao, by virtue of the provisions of Section 7 of the Act, are deemed to have an interest in shares of the Company and its related corporations.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2018.

Share Options

Call Option

Name of the director	Option shares outstanding as at beginning of financial year	Aggregate option shares granted since commencement to end of financial year	Aggregate option shares exercised since commencement to end of financial year	Aggregate option shares outstanding as at end of financial year
		Number of Option Shares		
Shi Jiangang	138,750,000	138,750,000	-	138,750,000
Sam Kok Yin	71,250,000	71,250,000	-	71,250,000
Total	210,000,000	210,000,000	-	210,000,000

The Call Option is exercisable between the period from 25 September 2015 to 24 September 2018 at the exercise price of S$0.05 per option share.

Except as disclosed above, no options to take up unissued shares of Company or any subsidiaries have been granted during the financial year.

There were no unissued shares of any subsidiaries under option as at 31 December 2017.

Except as disclosed above, no shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Francis Yau Thiam Hwa (Chairman)
Chan Cher Boon
Tham Hock Chee

The Audit Committee performs the functions specified in Section 201B (5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing these functions, the Audit Committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditor. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the half yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2017 as well as the auditor's report thereon;

(iv) effectiveness of the Company's material internal controls, including financial, operational, compliance controls and information technology controls and risk management system via reviews carried out by the internal auditors;

Audit Committee (Cont'd)

(v) met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews carried out by Management, various Board Committees and the Board, the Board with the concurrence of the Audit Committee are of the opinion that the Group's internal controls addressing financial, operational, information technology, compliance risks and risk management systems, were adequate and effective as at 31 December 2017.

Full details regarding the Audit Committee are provided in the "Corporate Governance" section of the annual report.

In appointing our auditor for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Sponsorship

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is Stamford Corporate Services Pte Ltd.

There are no non-sponsor fees paid to the sponsor by the Company for the financial year ended 31 December 2017.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
SAM KOK YIN

....
SHI JIANGANG

Dated

Independent auditor's report to the members of Abundance International Limited and its subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abundance International Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the members of Abundance International Limited and its subsidiaries (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matter

(i) Non-underwritten rights consisting of zero coupon bonds with detachable warrants

Risk

During the financial year, the Company issued renounceable non-underwritten rights ("Rights Issue") consisting of zero coupon bonds with detachable warrants to raise S$8,180,000 in capital. Following the close of the Rights Issue on 23 January 2017, 642,750,000 bonds with detachable warrants have been allotted and issued on 31 January 2017. These warrants are listed and quoted on the Official List of the SGX-ST on 2 February 2017.

In accordance with FRS 39 Financial Instruments: Recognition and Measurement, the bonds and warrants are recognize initially, measure at fair value at the inception date. After the initial recognition, the Group shall measure the bonds at amortised costs using the effective interest method.

There is a risk that the classification and valuation of bonds and detachable warrants are incorrectly accounted for at inception date. In addition, the fair value of bonds at the end of the financial year may be incorrectly determined.

Our responses and work performed

Our procedures are designed to challenge the classification and valuation of the bonds and detachable warrants. We reviewed the contracts for the financial instrument and assessed the appropriateness and adequacy of the management's accounting treatment and its disclosure in accordance with FRS 32 as follows:

a) we evaluated the terms of the bonds with detachable warrants to determine whether it contains both a liability and an equity component.

b) we verified the allocation of the proceeds between the bonds and detachable warrants based on their fair value at inception date.

c) we assessed the expert's necessary competency, capabilities and objectivity in performing the valuation of bond. The evaluation of objectivity will include inquiry regarding interests and relationships that may create a threat to that expert's objectivity.

d) we assessed the valuation methodology of the bonds.

e) we reviewed the adequacy of the work performed, including significant judgements, estimates and assumptions used by the professional valuer in arriving at the valuation amounts.

f) we involved our auditor's expert in responding to this risk and focused our work on assessing the appropriateness of the fair value derived therein by reviewing the methodologies and challenging the assumptions and estimates used by management and its independent valuer.

g) we evaluated the competency, capability and objectivity of the auditor's expert for our purposes.

Independent auditor's report to the members of Abundance International Limited and its subsidiaries (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matter (Cont'd)

(i) Non-underwritten rights consisting of zero coupon bonds with detachable warrants (Cont'd)

Our responses and work performed (Cont'd)

h) we assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information refers to the "Directors' Statement" section of the annual report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the annual report which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining sections of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent auditor's report to the members of Abundance International Limited and its subsidiaries (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report to the members of Abundance International Limited and its subsidiaries (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tei Tong Huat.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,

Statement of financial positions
as at 31 December 2017

	Note	The Group **31 December 2017 US$'000**	 31 December 2016 US$'000	The Company **31 December 2017 US$'000**	 31 December 2016 US$'000
ASSETS					
Non-Current Assets					
Subsidiaries	4	**-**	-	**7,243**	7,243
Property, plant and equipment	5	**13,890**	42	**13,843**	-
Deferred tax assets	6	**206**	2	**-**	-
		14,096	44	**21,086**	7,243
Current Assets					
Inventories	7	**8,799**	8,810	**168**	-
Trade and other receivables	8	**27,852**	7,398	**60**	52
Deposits	9	**60**	77	**4**	26
Advances and prepayments	10	**7,708**	9,012	**13**	15
Amounts due from related corporations	11	**-**	-	**4,877**	2,855
Financial assets at fair value through profit or loss	12	**227**	111	**-**	-
Available for sale financial assets	13	**-**	648	**-**	-
Cash and cash equivalents	14	**8,925**	856	**76**	57
		53,571	26,912	**5,198**	3,005
Assets held-for-sale	15(a)	**-**	13,704	**-**	13,704
Assets directly associated with discontinued operations	15(b)	**-**	540	**-**	540
		-	14,244	**-**	14,244
Total assets		**67,667**	41,200	**26,284**	24,492
EQUITY					
Share capital	16	**33,246**	33,246	**33,246**	33,246
Other equity instruments	17	**4,831**	-	**4,831**	-
Reserves	18	**(13,797)**	(14,357)	**(17,384)**	(15,909)
		24,280	18,889	**20,693**	17,337
Non-controlling interests		**4**	14	**-**	-
Total equity		**24,284**	18,903	**20,693**	17,337
LIABILITIES					
Non-Current Liabilities					
Borrowings	19	**3,402**	3	**3,395**	-
Provisions	20	**11**	-	**11**	-
Deferred tax liabilities	6	**1,853**	-	**1,853**	-
		5,266	3	**5,259**	-

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial positions (Cont'd)
as at 31 December 2017

		The Group		The Company	
	Note	**31 December 2017 US$'000**	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
LIABILITIES					
Current Liabilities					
Trade payables	21	**29,540**	10,827	**91**	-
Other payables and accruals	22	**1,661**	1,932	**241**	785
Advances from customers	23	**5,377**	2,907	**-**	-
Amounts due to directors	24	**1,037**	3,052	**-**	3,052
Borrowings	19	**3**	9	**-**	-
Income tax liabilities		**499**	192	**-**	-
		38,117	18,919	**332**	3,837
Liabilities directly associated with discontinued operations	15	**-**	3,375	**-**	3,318
		-	3,375	**-**	3,318
Total equity and liabilities		**67,667**	41,200	**26,284**	24,492

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of profit or loss and other comprehensive income
for the financial year ended 31 December 2017

	Note	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Continuing operations			
Revenue			
Sale of goods	25	**524,017**	109,881
Other operating income	26	**435**	18
Total Revenue		**524,452**	109,899
Expenses			
Changes in inventories of finished goods and goods in transit		**(506,434)**	(103,557)
Employee benefits expense	27	**(2,738)**	(1,373)
Depreciation of property, plant and equipment	5	**(853)**	(8)
Freight and handling charges		**(7,252)**	(1,438)
Sub-contractors costs		**(122)**	(680)
Other expenses	28(a)	**(6,420)**	(2,769)
Finance costs	28(b)	**(1,010)**	(136)
Loss from continuing operations before taxation	29	**(377)**	(62)
Tax expense	30	**(300)**	(180)
Loss for the year from continuing operations		**(677)**	(242)
Discontinued operations			
Loss for the year from discontinued operations, net of tax	15	**-**	(119)
Loss for the year		**(677)**	(361)
Other comprehensive income after tax			
Items that will not be subsequently reclassified to profit or loss			
Surplus on revaluation of leasehold land and building (net of tax)		**99**	-
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation differences - foreign operations (nil tax effect)		**1,170**	(302)
Other comprehensive profit/(loss) for the year, net of tax		**1,269**	(302)
Total comprehensive income/(expense) for the year		**592**	(663)
Loss for the year attributable to:			
Owners of the parent			
- Loss from continuing operations, net of tax		**(683)**	(413)
- Loss from discontinued operations, net of tax		**-**	(119)
		(683)	(532)
Non-controlling interests			
- Profit from continuing operations, net of tax		**6**	171
- Loss from discontinued operations, net of tax		**-**	-
Total loss for the year		**(677)**	(361)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of profit or loss and other comprehensive income (Cont'd)

for the financial year ended 31 December 2017

	Note	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Total comprehensive income/(expense) attributable to:			
Owners of the Company			
- Gain/(loss) from continuing operations, net of tax		**586**	(263)
- Loss from discontinued operations, net of tax		**-**	(538)
		586	(801)
Non-controlling interests			
- Gain/(loss) from continuing operations, net of tax		**6**	138
- Loss from discontinued operations, net of tax		**-**	-
Total comprehensive gain/(loss) for the year		**592**	(663)
Loss per share attributable to equity holders of the Company			
From continuing operations			
Basic and diluted (cents)	31	**(0.11)**	(0.08)
From discontinued operations			
Basic and diluted (cents)	31	**-**	(0.02)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 December 2017

The Group	Share capital US$'000	Other equity instruments US$'000	Translation reserve US$'000	Asset revaluation reserve US$'000	Accumulated loss US$'000	Discount/ (premium) paid on acquisition of non-controlling interests US$'000	Subtotal US$'000	Non-controlling interests US$'000	Total equity US$'000
	<-----Equity attributable to owner of the Company----->								
At 1 January 2016	19,284	8,704	(2,197)	9,909	(23,295)	-	12,405	4,138	16,543
(Loss)/profit for the year	-	-	-	-	(532)	-	(532)	171	(361)
Other comprehensive loss for the year	-	-	(269)	-	-	-	(269)	(33)	(302)
Total comprehensive expense for the						-			
year	-	-	(269)	-	(532)		(801)	138	(663)
Proceeds from non-controlling interests	-	-	-	-	-	-	-	43	43
Conversion of other equity instruments	8,089	(8,704)	615	-	-	-	-	-	-
Issuance of placement shares	2,980	-	-	-	-	-	2,980	-	2,980
Acquisition of non-controlling interests	2,893	-	-	-	-	1,412	4,305	(4,305)	-
At 31 December 2016	**33,246**	**-**	**(1,851)**	**9,909**	**(23,827)**	**1,412**	**18,889**	**14**	**18,903**
(Loss)/profit for the year	**-**	**-**	**-**	**-**	**(683)**	**-**	**(683)**	**6**	**(677)**
Other comprehensive profit for the year	**-**	**-**	**1,170**	**99**	**-**	**-**	**1,269**	**-**	**1,269**
Total comprehensive income/(expense) for the year	**-**	**-**	**1,170**	**99**	**(683)**	**-**	**586**	**6**	**592**
Issuance of warrants	**-**	**4,831**	**-**	**-**	**-**	**-**	**4,831**	**-**	**4,831**
Acquisition of non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(26)**	**(26)**	**(16)**	**(42)**
At 31 December 2017	**33,246**	**4,831**	**(681)**	**10,008**	**(24,510)**	**1,386**	**24,280**	**4**	**24,284**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows
for the financial year ended 31 December 2017

	Note	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000
Cash Flows from Operating Activities			
Loss before taxation			
- Continuing operations		**(377)**	(62)
- Discontinued operations		**-**	(119)
Total loss before taxation		**(377)**	(181)
Adjustments for:			
Depreciation of property, plant and equipment	5	**853**	8
Interest expense	28(b)	**1,010**	136
Fair value gain on financial assets at fair value through profit and loss	12	**(72)**	(9)
Impairment loss on assets held-for-sale (2)		**-**	219
Gain on disposal of property, plant and equipment (2)		**-**	(482)
Operating profit before working capital changes		**1,414**	(309)
Change in inventories		**278**	(8,456)
Change in trade and other receivables		**(20,181)**	(6,112)
Change in deposits, advances and prepayments		**1,321**	(7,007)
Change in advances from customers		**2,470**	2,907
Changes in trade and other payables		**17,809**	10,638
Cash generated from/(used in) operations		**3,111**	(8,339)
Interest paid		**(166)**	(136)
Income tax refund		**7**	-
Net cash generated from/(used in) operating activities		**2,952**	(8,475)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(13)**	(185)
Net proceeds from disposal of property, plant and equipment (2)		**-**	1,526
Purchase of financial assets at fair value through profit or loss	12	**(241)**	(127)
Disposal/(purchase) of available-for-sale financial assets	13	**648**	(648)
Proceeds from disposal of financial assets at fair value through profit and loss	12	**197**	25
Fixed deposits pledged	14	**(374)**	-
Net (payments)/proceeds from non-controlling interests		**(36)**	43
Net cash generated from investing activities		**181**	634
Cash Flows from Financing Activities			
Net proceeds/(repayments) to trade receivables factoring, net (2)		**67**	(541)
Net repayments to bills payable, net (2)		**-**	(784)
Net (repayments to)/ proceeds from finance lease liabilities		**(2)**	4
Net (repayments to)/ proceeds from amount due to directors		**(3,298)**	1,022
Proceeds from issue of shares (1)		**-**	2,980
Proceeds from issue of bonds with detachable warrants		**7,393**	-
Net cash generated from financing activities		**4,160**	2,681
Net increase/(decrease) in cash and cash equivalents		**7,293**	(5,160)
Effect of changes in currency translation		**402**	(30)
Cash and cash equivalents at beginning of year		**856**	6,046
Cash and cash equivalents at end of year	14	**8,551**	856

(1) For FY2016, the proceeds from issue of shares excludes conversion of bonds and issuance of shares to acquire the 49% non-controlling interest in subsidiary Orient-Salt Chemicals Pte. Ltd. because they are non-cash in nature.

(2) For FY2016, cashflows arised from discontinued operations.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows
for the financial year ended 31 December 2017

Reconciliation of liabilities arising from financing activities

With effective from 1 January 2017, the *Amendments to FRS 7 Statements of Cash Flow* comes with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in 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:

		Cash flows		Non-cash changes		
	31 December 2016	Repayments	Proceeds	Currency translation differences	Non-cash adjustments	31 December 2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Trade receivable factoring	(76)	-	67	(3)	-	(12)
Finance lease obligations	12	(2)	-	-	-	10
Bond payables and detachable warrants	-	-	7,393	(42)	875[1]	8,226
Amount due to directors	4,138	(16,815)	13,517	197	-	1,037

(1) This relates to the imputed interest expense on bond payables.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the financial statements
for the financial year ended 31 December 2017

1 General information

The financial statements of the Company and of the Group for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' statement.

The Company is listed on the Catalist which is a market on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore.

The registered office is located at 9 Joo Koon Circle, Singapore 629041.

With effect from 20 August 2015, following the Extraordinary General Meeting of the Company held on 19 August 2015, the name of the Company was changed from "Craft Print International Limited" to "Abundance International Limited".

The principal activities of the Company are those of trading of chemical products and investment holding. The principal activities of the subsidiaries are primarily engaged in trading of chemical products and in investment and trading of securities.

As announced by the Group on 2 June 2015, the Group diversified its business into chemical manufacturing, trading, storage and/or the manufacture or trading of equipment, accessories, consumables or peripherals used in the chemical industry and other related business; and also investing in companies and other entities through equity, securities and other instruments such as bonds or convertible bonds, and investing in quoted securities and instruments such as, without limitation, funds and bonds (the "Proposed Business Diversification"). On 30 December 2015, the Group announced that it had decided to cease internal production in respect of the Printing Business by 31 December 2015. 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.

2 Going concern

The Group incurred a loss of US$677,000 (2016 – US$361,000), total comprehensive gain of US$592,000 (2016 – total comprehensive loss of US$663,000) and has net operating cash inflows of US$2,952,000 (2016 – net operating cash outflows of US$8,475,000) for the financial year ended 31 December 2017. The Group's and the Company's net current assets as at 31 December 2017 amounted to US$15,454,000 (2016 – US$6,889,000) and US$4,866,000 (2016 – net current liabilities of US$1,879,000) respectively.

The Group and the Company have prepared its financial statements on a going concern basis based on the 12 months cash flows which indicates the profitability of the chemical trading business.

The directors are, therefore, of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as the directors believe that the Group and the Company will be able to generate sufficient operating cash flows.

3(a) Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standards in Singapore ("FRS"), including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements have been presented in United States dollars ("USD" or "$"or "US$") while the Company's functional currency remain in Singapore dollars ("SGD" or "S$").

All financial information presented in USD have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

<u>**Significant accounting estimates and judgements**</u>
The preparation of the financial statements in accordance with this basis of preparation requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

3(a) Basis of preparation (Cont'd)

Significant judgements in applying accounting policies

Income tax (Notes 6 and 30)
The Group has exposures to income taxes in Singapore, Japan and China. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets and liabilities as at 31 December 2017 are US$206,000 and US$ 1,853,000 (2016 – US$2,000 and US$1,720,000) respectively.

Determination of functional currency
The functional currency of the Company is Singapore dollar. Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). Determination of functional currency involves significant judgment.

The Company reconsiders its functional currency if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Classification and valuation of leasehold land and building classified as assets directly associated with discontinued operations (Notes 5 and 15)

The Group's leasehold land and building which was classified as assets directly associated with discontinued operations in the previous year following the cessation of the internal printing operations of the Group has yet to be disposed of as at 31 December 2017. The sale was not completed within the last 2 years (since the classification) due to the poor property market whereby the Company was unable to sell the leasehold property for the amount it was valued at. As these assets are unable to meet the conditions required by FRS 105 to continue to be classified as assets held for sale, the Company had reclassified the leasehold land and building from assets directly associated with discontinued operations to property, plant and equipment as at 31 December 2017.

The Group's leasehold land and building is stated at its estimated fair value based on the valuation performed by an independent professional valuer who has adopted the Direct Comparative Method and Income Capitalization Approach to value the leasehold land and building. The Direct Comparative Method takes into consideration the recent sales of comparable properties around and within the location of the leasehold land and building and makes appropriate adjustments for differences such as tenure, location, condition, floor area, prevailing market conditions and all other relevant factors affecting their values. The carrying value of the Group's and the Company's leasehold land and building amounted to US$13,843,000 (2016 – US$13,704,000) as at 31 December 2017.

In relying on the valuation report, management has exercised its judgment and is satisfied that the method of valuation is reflective of current market conditions and the estimates used are appropriate.

3(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies

Depreciation of property, plant and equipment (Note 5)
Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, and therefore future depreciation charges could be revised. If depreciation on property, plant and equipment increase/decrease by 10% (2016 - 10%) by management, the Group's loss for the period will increase/decrease by approximately US$85,000 (2016 - US$800).

Impairment of loans and receivables (Notes 8, 9 and 11)
The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of the receivables as well as impairment or write-back of impairment in the period in which such estimate has been changed.

The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Notes 8, 9 and 11 to the financial statements.

If the present value of estimated future cash flows decreased by 10% from management's estimates, the Group's and Company's allowance for impairment will increase by US$2,791,000 (2016 - US$775,000) and US$494,000 (2016 - US$321,000) respectively.

Carrying value of inventories (Note 7)
The Group reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable values of the inventory increase/decrease by 10% from management's estimates, the Group's loss will increase/decrease by US$880,000 (2016 - US$908,000). The carrying amount of the inventory is disclosed in Note 7 to the financial statements.

Valuation of available-for-sale financial assets (Note 13)
At the balance sheet date, the Group has debt securities classified as available-for-sale financial assets with a carrying amount of US$ Nil (2016 - US$648,000). The Group has made a judgement that there is no impairment on its available-for-sale financial assets and that its fair value approximates its carrying amount. In making this judgement, the Group has considered, among other factors, the short-term duration of the investment of between 1-3 days (2016 - 1-3 days). If fair value of the available-for-sale financial assets increase/decrease by 10% from management's estimates, the Group's loss will decrease/increase by US$ Nil (2016 - US$65,000).

Fair value measurement and valuation of bonds (Note 19.2)
The fair value of the Group's zero coupon bonds on inception date is based on its estimated fair value computed by an independent professional valuer. The fair value of the bonds is estimated by computing the sum of the present values of all expected future cash flows, each discounted by their prevailing market rates of interest for a similar instrument with a similar credit rating respectively.

3(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Fair value measurement and valuation of bonds (Note 19.2) (Cont'd)
The credit rating of the Group was estimated by considering its key financial ratios and comparing these ratios to the average ratios of global non-financial corporations as published by Moody. The discount rate of 15.04% was derived by combining:

1) the Singapore Sovereign Zero Coupon Yields;

2) a credit spread derived from comparable bonds issued by the companies principally engaged in the Chemicals related business with similar credit rating and maturity to the bonds; and

3) a yield spread

In relying on the valuation report, management has exercised its judgment and is satisfied that the method of valuation is reflective of current market conditions and the estimates used are appropriate.

If the discount rate on the bond increase/decrease by 2% (2016 - Nil), the carrying amount of the bonds will increase/decrease by approximately US$340,000 (2016 - Nil).

3(b) Interpretations and amendments to published standards effective in 2017

The directors do not anticipate that the adoption of the FRSs will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following new or amended FRS and INT FRS issued and effective in year 2017:

Reference	Description	Effective date (Annual Periods beginning on)
Amendments to FRS 7	Statement of Cash Flows	1 January 2017

Amendments to FRS 7 Statement of Cash Flows
The Amendments to *FRS 7 Statement of Cash Flows* required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way - e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it has no impact to the financial position and performance of the Group when applied in.

3(c) FRS issued but not yet effective

The Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the SGX-ST will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on the SGX-ST will have to assess the impact of IFRS 1 First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

The Group has performed an assessment of the impact of adopting the new financial reporting framework. Other than the adoption of the new standards that are effective on 1 January 2018, the Group expects that the adoption of the new framework will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting the new standards that are effective on 1 January 2018 will be similar to that as disclosed below.

The following are the new or amended FRSs and INT FRS issued in 2017 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 15	Revenue from Contracts with Customers	1 January 2018
SFRS(I) 9	Financial Instruments	1 January 2018
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
SFRS(I) 16	Leases	1 January 2019

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except the following:

<u>SFRS(I) 15 *Revenue Contracts with Customers*</u>
SFRS(I) 15 *Revenue from Contracts with Customers* establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for Construction of Real Estate*, INT FRS 118 *Transfer of Assets from Customers* and INT FRS 31 *Revenue - Barter Transactions involving Advertising Services*. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

The standard clarifies how to:
- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, SFRS(I) 15, i.e. on 1 January 2018.

3(c) FRS not yet effective (Cont'd)

SFRS(I) 15 Revenue Contracts with Customers (cont'd)

During 2017, the Group completed its initial assessment of the impact on the Group's financial statements. Based on its initial assessment, the Group does not expect significant changes to the basis of revenue recognition for its trading of chemical products and securities in Singapore and overseas. However, additional disclosures for trade receivables and revenue may be required, including any significant judgement and estimation made.

The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach. The Group is currently performing a detailed analysis under SFRS (I) 15 to determine its election of the practical expedients and to quantity the transition adjustments on its financial statements. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new SFRS (I) 15.

SFRS(I) 9 *Financial Instruments*
SFRS(I) 9 *Financial Instruments* replaces the FRS 39 and it is a package of improvements introduced by SFRS(I) 9 which includes a logical model for:
- Classification and measurement;
- A single, forward-looking "expected loss" impairment model; and
- A substantially reformed approach to hedge accounting.

SFRS(I) 9 is effective for annual periods beginning on or after 1 January 2018.

During 2017, the Group has completed its initial assessment of the impact on the Group's financial statements. Overall, the Group does not expect a significant change to the measurement basis arising from adoption the new classification and measurement model under SFRS (I) 9.

Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS (I) 9.

For financial assets currently held at fair value, the Group expects to continue measuring cost of these assets at fair value under SFRS (I) 9.

Available - for - sale equity securities are held as long – term investments. For these, the Group expects to elect subsequent changes in fair value in OCI. Under SFRS (I) 9, only dividend income is recognised in profit or loss. Any subsequent fair value changes are recognised in OCI and will not be reclassified in profit or loss.

3(c) FRS not yet effective (Cont'd)

SFRS(I) 9 *Financial Instruments (con't)*
Impairment – The Group plans to apply the 12- month approach and record lifetime expected impairment losses on all trade receivables.

The Group is currently performing a detailed analysis under SFRS (I) 9 which will result in changes to the accounting policies relating to the impairment provisions of financial assets and liabilities. Management will consider whether the 12 – month or lifetime expected credit losses on financial assets and liabilities should be recognised, which is dependent on whether there has been a significant increase in the credit risk of the assets and liabilities from initial recognition to the date of initial application of SFRS (I) 9. Additional disclosures will also be made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new SFRS (I) 9.

SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration
This Interpretation provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.

The Interpretations are effective from 1 January 2018. The Group is reassessing the impact to the consolidated financial statements.

SFRS(I) 16 *Leases*
SFRS(I) 16 *Leases* replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 *Leases* that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. SFRS(I) 16 *Leases* will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted SFRS(I) 15. The Group is currently assessing the impact to the consolidated financial statements.

The Group has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Group has leasehold land and equipments where they are operating leases. The Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. This would increase the gearing ratio of the Group. It is currently impracticable to disclose any further information on the known or reasonable estimable impact to the entity's financial statement. Management does not plan to early adopt the above new SFRS (I) 16.

3(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. Information on its subsidiaries is given in Note 4 to the financial statements.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

A change in the ownership interest

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business combination comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

3(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and buildings	Over remaining tenure of lease
Furniture, fittings and office equipment	3 – 15 years

Leasehold land and building is initially recognised at cost and subsequently stated at their revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are carried out with sufficient regularity such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount is credited directly to revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset which was previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the previous write down.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to retained earnings when the asset is de-recognised.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

3(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment of impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

At the reporting date, the Group and the Company do not hold any held-to-maturity investments.

3(d) Summary of significant accounting policies (Cont'd)

Financial assets (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables, related party balances, deposits and cash and cash equivalents. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in profit or loss.

Certain trade receivables that are factored to financial institutions without recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions are recorded as borrowings if there is a draw down made by the Group.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

The Group has designated its investments as financial assets at fair value through profit or loss held for trading.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in profit or loss even though the financial asset has not been derecognised.

3(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)
Available-for-sale financial assets (cont'd)
The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

Determination of fair value
The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Assets directly associated with discontinued operations
Assets directly associated with discontinued operations were classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount was recovered principally through a sale transaction rather than through continuing use. The assets were not depreciated or amortised while they were classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement was recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) was recognised in profit or loss.

A discontinued operation was a component of an entity that either had been disposed of, or that was classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations; or
(b) was part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) was a subsidiary acquired exclusively with a view to resale.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of the bank overdraft which is repayable on demand and which form an integral part of cash management.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3(d) Summary of significant accounting policies (Cont'd)

Other equity instruments classified as equity
Other equity instruments which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

Dividends
Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Financial liabilities
The Group's financial liabilities include trade payables, other payables and accruals, borrowings, provisions and amounts due to directors.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, an only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings and non-convertible bonds using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Trade payables and other payables and accruals
Trade payables and other payables and accruals are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method. Finance lease liabilities are measured at initial value less the capital element of lease repayments

3(d) Summary of significant accounting policies (Cont'd)

Zero coupon bonds
Proceeds from the bond cum warrants issue are allocated separately between the value of the bonds and the value of the warrants. The fair value of the liability portion is determined using the market interest rate for an equivalent non-convertible bond; this amount is recorded as a non-current liability on the amortised cost basis until it is extinguished on conversion or maturity of the bonds. The remainder of the proceeds is ascribed to the 642,750,000 detachable warrants which are recognised as other equity instruments and an appropriate amount transferred to the share capital account as and when the warrants are exercised. The discount on the value of the bonds is amortised over the life of the bonds of 4 years and charged to the profit or loss using the effective interest rate method.

Financial guarantees
The Company has issued a corporate guarantee to banks for bank facilities of its subsidiary, Orient-Salt Chemicals Pte. Ltd. This guarantee is a financial guarantee contract as it requires the Company to reimburse the bank if the subsidiary fail to make principal or interest payments when due in accordance with the terms of their facilities.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statement of financial position.

Financial guarantee contracts are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Provisions
Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

A provision for restructuring is recognised for the expected costs associated with the restoration of leasehold building. The provision is based on the best estimate of the direct expenditures to be incurred which are both necessarily entailed by the restoration and not associated with the on-going activities of the Group.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Leases
<u>Where the Group and the Company are the lessees</u>

<u>Finance leases</u>
Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

3(d) Summary of significant accounting policies (Cont'd)

Leases (cont'd)
Operating leases
Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to profit or loss when incurred.

Income taxes
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits
Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3(d) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Pension obligations

The Group and the Company participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. The Company and its Singapore incorporated subsidiaries makes contribution to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore. The subsidiary incorporated in the People's Republic of China contributes to certain staff pension benefits, a defined contribution plan regulated and managed by PRC regulations. The subsidiary incorporated in Japan contributes to the Employees' Pension Insurance, a defined contribution plan regulated and managed by the Government of Japan.

The contributions to national pension scheme are charged to profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets
The carrying amounts of the Group's and Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

Revenue recognition
Revenue from the rendering of services is measured at the fair value of the consideration received or receivable, net of goods and services taxes or other sales taxes and trade discounts. Revenue from the provision of services is recognised in the period in which the services are rendered.

Revenue from trading of chemical commodities is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transactions can be measured reliably. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3(d) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)
Trading gains or losses from investments classified as financial assets at fair value through profit or loss are recorded using the trade date method.

Interest income is recognised on a time proportion basis using the effective interest method.

Operating segments
An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions.

Government grant
Government grants related to income are grants other than those related to assets. It is recognised as part of other operating income on a systematic basis over the periods on a receipt basis.

Functional currencies
Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in USD, while the Company's functional currency remain in SGD.

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

3(d) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies (Cont'd)
Group entities
The results and financial position of all the entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

4 Subsidiaries

The Company	**31 December 2017 US$'000**	31 December 2016 US$'000
Cost of investments		
Unquoted equity shares, at cost		
At beginning of year	**7,267**	4,375
Addition	**-**	2,892
At end of year	**7,267**	7,267
Less: Impairment losses		
At beginning and end of year	**(24)**	(24)
Net investment in subsidiaries	**7,243**	7,243

The subsidiaries are:

Name	Country of Incorporation/ principal place of business	Proportion of ownership interest held		Principal activities
		2017	2016	
Held by the Company		**%**	%	
Craft Print Pte. Ltd. (1)	Singapore	**100**	100	Commercial printing (Dormant)
Printing Farm Pte. Ltd. (1)	Singapore	**100**	100	Commercial printing (Dormant)
Orient-Salt Chemicals Pte. Ltd. (1)	Singapore	**100**	100	Chemical business
Abundance Investments Pte. Ltd. (1)	Singapore	**100**	100	Investment holding
Held through Orient-Salt Chemicals Pte. Ltd. ("OSC")				
Dong Yan Chemical (Shanghai) Co., Ltd. (2)	The People's Republic of China	**100**	100	Chemical business
Touen Japan Co., Ltd. (3)	Japan	**99.41**	94.12	Chemical business

(1) Audited by Foo Kon Tan LLP
(2) Audited by GP Certified Public Accountants LLP, Guangzhou for consolidation purposes under FRS reporting
(3) Audited by Kasumigaseki International Accounting Office, Japan for consolidation purposes under FRS reporting

In the prior year, the Company had newly incorporated a subsidiary, Abundance Investments Pte. Ltd. with a share capital of US$1. The Company had also fully acquired the remaining equity interest of 49% held by the minority shareholder in its subsidiary, Orient-Salt Chemicals Pte. Ltd. ("OSC"). The cost of additional interest acquired was US$2,892,000.

4 Subsidiaries (Cont'd)

Incorporation of new subsidiary
On 1 September 2016, the Company incorporated a subsidiary, Abundance Investments Pte. Ltd. The cost of investment recorded for the current financial year, which is also equal to the amount of issued and paid up capital of Abundance Investments Pte. Ltd., amounted to US$1.

Acquisition of remaining 49% interest in subsidiary
On 17 June 2016, the Company entered into a sale and purchase agreement (the "SPA") with Mr Jiang Hao to acquire his 49% shareholding in OSC. Upon completion of the acquisition, OSC became a wholly-owned subsidiary of the Company. The acquisition was completed on 30 December 2016. This sale and purchase transaction constitutes a change in a parent's ownership interest in a subsidiary in which the Group already has control before the acquisition. Accordingly, the Group has recognised US$1,412,000 directly in equity which is the difference between the amount of non-controlling interests of US$4,305,000 and the fair value of the consideration paid of US$2,892,000.

The fair value of the consideration paid was based on the market value of the 117,600,000 new shares in the Company issued and allotted to Mr Jiang Hao and the fair value of the termination of the Put and Call option held by Mr Jiang Hao under the old Joint Venture Agreement dated 1 June 2015.

Details of non-wholly owned subsidiaries that have material non-controlling interests in Orient-Salt Chemicals Pte. Ltd.

As detailed above, the Company has acquired the material non-controlling interests in Orient-Salt Chemicals Pte. Ltd. of 49% from Mr Jiang Hao on 30 December 2016.

As at 30 December 2016:

	US$'000
Non-controlling interest	
Share capital	4,180
Translation reserve	(32)
Accumulated loss brought forward	(42)
Share of results by non-controlling interest	199
	4,305

Acquisition of additional 5.29% interest in indirect subsidiary
On 11 November 2017, Orient-Salt Chemicals Pte. Ltd entered into a sale and purchase agreement with Mr Zhang Wenqian to acquire an aggregate of 90 shares representing 5.29% of the issued and paid up share capital of Touen Japan Co., Ltd., a subsidiary of OSC for a consideration of approximately US$42,000, thereby increasing its shareholding interest in Touen Japan from 94.12% to 99.41%. This sale and purchase transaction constitutes a change in a parent's ownership interest in an indirect subsidiary in which the Group already has control before the acquisition. Accordingly, the Group has recognised US$26,000 directly in equity which is the difference between the amount of non-controlling interests of US$16,000 and the fair value of the consideration paid of US$42,000.

The following summarises the effect of the change in the Group's ownership interest in Touen Japan on the equity attributable to Owners of the Company:

	2017 US$'000
Consideration paid to non-controlling interests	42
Carrying amount of non-controlling interests acquired	(16)
Excess of consideration paid recognised in parent's equity	26

5 Property, plant and equipment

The Group **Cost or valuation**	Leasehold land and buildings US$'000	Furniture, fittings and office equipment US$'000	Total US$'000
At 1 January 2016	-	-	-
Additions	-	50	50
At 31 December 2016	-	50	50
Additions	**-**	**13**	**13**
Reclassification from discontinued operations (Note 15)	**13,704**	**-**	**13,704**
Elimination of accumulated depreciation on revaluation	**(843)**	**-**	**(843)**
Revaluation surplus (Note 18)	**119**	**-**	**119**
Effect of movement in exchange rate	**863**	**-**	**863**
At 31 December 2017	**13,843**	**63**	**13,906**
Representing:			
Cost	**-**	**63**	**63**
Valuation	**13,843**	**-**	**13,843**
	13,843	**63**	**13,906**
Accumulated depreciation and impairment loss			
At 1 January 2016	-	-	-
Depreciation	-	8	8
At 31 December 2016	-	8	8
Depreciation	**843**	**10**	**853**
Elimination of accumulated depreciation on revaluation	**(843)**	**-**	**(843)**
Effect of movement in exchange rate	**-**	**(2)**	**(2)**
At 31 December 2017	**-**	**16**	**16**
Net book value			
At 31 December 2017	**13,843**	**47**	**13,890**
At 31 December 2016	-	42	42

5 Property, plant and equipment (Cont'd)

The Company	**Leasehold land and buildings**
At valuation	**US$'000**
At 1 January 2016	-
Additions	-
At 31 December 2016	-
Additions	**-**
Reclassification from discontinued operations (Note 15)	**13,704**
Elimination of accumulated depreciation on revaluation	**(843)**
Revaluation surplus (Note 18)	**119**
Effect of movement in exchange rate	**863**
At 31 December 2017	**13,843**
Accumulated depreciation and impairment loss	
At 1 January 2016	-
Depreciation for the year	-
At 31 December 2016	-
Depreciation for the year	**843**
Elimination of accumulated depreciation on revaluation	**(843)**
At 31 December 2017	**-**
Net book value	
At 31 December 2017	**13,843**
At 31 December 2016	**-**

The Group's and the Company's property, plant and equipment as at 31 December 2017 consists mainly of leasehold land and building of US$13,843,000 [2016 (classified under assets associated with discontinued operations) – US$13,704,000], stated at fair value, determined based on valuations as at year end. The fair value of leasehold land and building is determined by an independent firm of professional valuer who have appropriate recognised professional qualification and recent experience in the location and category of the leasehold land and building being valued.

The valuation is based on Direct Comparison Method and Income Capitalization Method in arriving at the fair value of the properties. The Direct Comparison Method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the leasehold land and building. The income method takes into consideration the estimated net income at a capitalisation rate applicable to the nature and type of asset in question.

5 Property, plant and equipment (Cont'd)

Details of property at the reporting date are as follows:

The Group and The Company

Description of property	Tenure	Unexpired lease term (year)	Existing use	Gross floor area (sq. metres)
9 Joo Koon Circle, Singapore 629041	Leasehold*	2	Industrial and office	8,842

* The lease will expire in October 2019 but has an option to renew for a 30-year period.

At the reporting date, leasehold land and building of the Group and the Company with total net carrying amount of approximately US$13,843,000 [2016 (classified under assets associated with discontinued operations)– US$13,704,000], was pledged to Standard Chartered Bank, Singapore Branch for uncommitted banking facilities (trade facilities) granted to its subsidiary, Orient-Salt Chemicals Pte. Ltd

6 Deferred income taxes

Deferred tax assets and liabilities are offsetted when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

The Group	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Deferred income tax assets				
- To be recovered within one year	**206**	2	**-**	-
- To be recovered after one year	**-**	-	**-**	-
	206	2	**-**	-
Deferred income tax liabilities				
- To be settled within one year	**-**	-	**-**	-
- To be settled after one year	**1,853**	-	**1,853**	-
	1,853	-	**1,853**	-

Movements in deferred income tax accounts are as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Deferred income tax assets				
Balance at beginning	**2**	**-**	**-**	-
Exchange difference on translation	**8**	**-**	**-**	-
Tax charged to profit or loss (Note 30)				
- current year	**196**	**2**	**-**	-
Balance at end	**206**	**2**	**-**	-

The deferred income tax assets balance comprises tax on unutilised tax losses which can be carried forward within 5 years.

6 Deferred income taxes (Cont'd)

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Deferred income tax liabilities				
Balance at beginning	**-**	-	**-**	-
Reclassified from discontinued operations (Note 15)	**1,720**	-	**1,720**	-
Exchange translation at date of reclassification	**113**	-	**113**	-
Tax charged to Asset revaluation reserve (Note 18)				
- current year	**20**	-	**20**	-
Balance at end	**1,853**	-	**1,853**	-

The deferred income tax liabilities balance attributable to the revaluation of fair value of leasehold land and building.

7 Inventories

	The Group		**The Company**	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Raw materials and consumables, at net realisable value	**168**	-	**168**	-
Goods in transit, at cost	**-**	1,654	**-**	-
Finished goods, at cost	**8,631**	7,156	**-**	-
Balance at end	**8,799**	8,810	**168**	-
Changes in inventories of finished goods and goods in transit				
- Continuing operations	**506,434**	103,557	**-**	-
Raw materials and consumables used				
- Discontinued operations	**-**	170	**-**	170

During the financial year ended 31 December 2017, there was a write off of inventories which amounted to US$62,000 (2016 – US$Nil).

The inventory for the financial year ended 31 December 2017 comprise of US$8,631,000 of chemical products in relation to its chemical trading business and US$168,000 of printing paper (2016 – US$8,810,000 of chemical products in relation to its chemical trading business). As at the end of the prior financial year, US$267,000 of printing paper were classified under assets associated with discontinued operations. Please refer to Note 15.

8 Trade and other receivables

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Trade receivables				
- external parties	**27,569**	7,233	**2,215**	-
- related party	**1,822**	-	**-**	-
- under trade receivables factoring (1)	**5**	-	**5**	-
Total trade receivables	**29,396**	7,233	**2,220**	-
Less: Impairment allowances				
At beginning of year/period	**7**	-	**-**	-
Reclassified from discontinued operation	**2,147**	-	**2,065**	-
Translation differences	**140**	-	**134**	-
Allowance for the year	**13**	7	**16**	-
At end of year	**2,307**	7	**2,215**	-
Net trade receivables (i)	**27,089**	7,226	**5**	-
Other receivables:				
Goods and service tax receivables	**512**	122	**12**	7
Others	**361**	50	**153**	45
	873	172	**165**	52
Less: Impairment allowances				
At beginning of year/period	**-**	-	**-**	-
Reclassified from discontinued operation	**103**	-	**103**	-
Translation difference	**7**	-	**7**	-
At end of year	**110**	-	**110**	-
Net other receivables (ii)	**763**	172	**55**	52
Net total trade and other receivables (i) + (ii)	**27,852**	7,398	**60**	52

(1) Trade receivables factoring are those trade receivables factored with the finance institution without recourse.

Trade and other receivables have credit terms of between 0 and 90 (2016 - 0 and 90) days.

Further details of the foreign currencies denomination of trade and other receivables are disclosed in Note 36.2.

Significant concentrations of credit risks

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total exposure.

(a) Summary quantitative data about its exposures to credit risk for trade and others receivables provided by key management personnel.

The credit risk for trade and other receivables based on the information provided by key management is as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
By geographical areas				
China	**14,585**	7,115	**-**	-
Asia - Others	**9,626**	161	**43**	45
Others	**3,129**	-	**5**	-
	27,340	7,276	**48**	45

Further details of the credit risk for trade and other receivables of discontinued operations are disclosed in Note 36.3.

8 Trade and other receivables (Cont'd)

(b) Financial assets that are neither past due nor impaired

The age analysis of trade and other receivables is as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Current	**25,399**	6,619	**-**	45

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a good payment record with the Group.

Further details of the age analysis for trade and other receivables of discontinued operations are disclosed in Note 36.3.

(c) Financial assets that are past due but not impaired

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Past due but not impaired				
Less than 30 days	**1,396**	657	**2**	-
30 to 60 days	**302**	-	**2**	-
61 to 90 days	**2**	-	**2**	-
More than 90 days	**241**	-	**42**	-
	1,941	657	**48**	-

Based on historical records, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due up to 3 months. These receivables are mainly arising from customers that have a good credit record with the Group.

Further details of the credit risk for trade and other receivables of discontinued operations are disclosed in Note 36.3.

(d) Financial assets that are past due and impaired

The carrying amount of trade and other receivables individually determined to be impaired are as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Trade receivables				
Gross amount	**2,307**	7	**2,215**	-
Allowance for impairment losses	**(2,307)**	(7)	**(2,215)**	-
	-	-	**-**	-
Other receivables				
Gross amount	**110**	-	**110**	-
Allowance for impairment losses	**(110)**	-	**(110)**	-
	-	-	**-**	-

The impaired trade and other receivables arise mainly due to those balances which are not considered to be collectible.

Further details of the Group's financial risk management of credit risk are set out in Note 36.3.

9 Deposits

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Deposits	**60**	77	**4**	26

Further details of the foreign currencies denomination of deposits are disclosed in Note 36.2.

10 Advances and prepayments

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Advances to suppliers	**7,695**	8,997	**-**	-
Prepayments	**13**	15	**13**	15
Balance at end	**7,708**	9,012	**13**	15

As part of the current core business, the Group procures chemical products for sales to customers.

The advances to suppliers amounting to US$7,695,000 (2016 – US$8,997,000) were made for the procurement of chemical supplies in respect of OSC's chemical trading business. The supplies were subsequently received and sold after the reporting date.

11 Amounts due from related corporations

The Company	**31 December 2017 US$'000**	31 December 2016 US$'000
Balances with subsidiaries		
Amount due from subsidiaries		
- Trade	**821**	-
- Non-trade	**5,638**	2,855
	6,459	
Less: Impairment allowance		
At beginning of year	**-**	-
Reclassified from discontinued operations	**(1,482)**	-
(Allowance)/reversal for the year	**(4)**	-
Translation difference	**(96)**	-
At end of year	**(1,582)**	-
	4,877	2,855

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand except for an amount of US$3,985,000 (2016 – US$2,360,000) which has an interest rate of 3% (2016 – 3%) per annum.

During the financial year ended 31 December 2017, the Company recognised impairment losses of US$4,000 (2016 – US$Nil) for amounts due from subsidiaries which are not fully recoverable because these subsidiaries have ceased operations.

Further details of the Group's financial risk management of foreign currency and liquidity risk exposures are set out in Note 36.2.

12 Financial assets at fair value through profit or loss

The Group	31 December 2017 US$'000	31 December 2016 US$'000
Held for trading - Quoted equity investments:		
Balance at beginning	**111**	-
Additions	**241**	127
Disposals	**(197)**	(25)
Fair value gain recognised in profit or loss (Note 26)	**72**	9
Balance at end	**227**	111

The fair value of quoted equity investments is determined by reference to Singapore Exchange Securities quoted prices.

13 Available for sale financial assets

The Group	31 December 2017 US$'000	31 December 2016 US$'000
At beginning of year	**648**	-
Addition	**-**	648
Disposal	**(648)**	-
Fair value gain recognised in other comprehensive income	**-**	-*
At end of year	**-**	648

* The change in fair value is insignificant.

Debt securities classified as available-for-sale financial assets of the Group with a carrying amount of US$Nil at 31 December 2017 (2016 – US$648,000) are non-guaranteed interest bearing short-term investment products held with Bank of Communications Limited in China and have variable interest rates of Nil% (2016 – 2% to 3%) per annum. Depending on the Group's working capital requirements, these investments are withdrawn and then reinvested every few days.

14 Cash and cash equivalents

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	31 December 2017 US$'000	31 December 2016 US$'000
Cash on hand	**3**	1	**1**	1
Cash at bank	**8,548**	855	**75**	56
Fixed deposits - pledged	**374**	-	**-**	-
	8,925	856	**76**	57

14 Cash and cash equivalents (Cont'd)

The fixed deposit has a maturity of within 1 year (2016: Nil) from the end of the financial year with the weighted average effective interest rate of 1.30% (2016: Nil%) per annum.

For the purpose of the consolidated statement of cash flows, the year-end cash and cash equivalents comprises of the following:

The Group	**31 December 2017 US$'000**	31 December 2016 US$'000
Cash and bank balances, as above	**8,925**	856
less: fixed deposits pledged	**(374)**	-
	8,551	856

For the year ended 31 December 2017, US$374,000 has been pledged to a financial institution to obtain trade facilities.

Further details of the foreign currencies denomination of cash and cash equivalents and the Group's financial risk management of foreign currency risk exposures are set out in Note 36.2.

15(a) Asset held-for-sale

Details of the assets held-for-sale are as follows:

	The Group		**The Company**	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Property, plant and equipment	**-**	13,704	**-**	13,704

The Group's and the Company's leasehold land and building which was classified as assets directly associated with discontinued operations in the previous year following the cessation of the internal printing operations of the Group has yet to be disposed of as at 31 December 2017. The sale was not completed within the last 2 years due to the poor property market conditions whereby the Company was unable to sell the leasehold property for the amount that it was valued at. As these assets are unable to meet the conditions required by FRS 105 to continue to be classified as assets held for sale, the Company has reclassified the leasehold land and building from assets directly associated with discontinued operations to property, plant and equipment as at 31 December 2017.

15(b) Discontinued operation and disposal group classified as held for sale

The Group announced on 30 December 2015 its intention to cease internal production in respect of the Printing Business by 31 December 2015. 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.

Subsequent to the scaling down of the Printing Business, the Group will focus more of its resources and efforts on the Chemical Business and Investment Business of the Group. Based on the requirement of FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the internal production in respect of the Printing Business was treated as discontinued operations since the year ended 31 December 2015. That is, the income and expenses of the internal production in respect of the Printing Business were reported separately from the continuing operations of the Group. Assets and liabilities in respect of the Printing Business were reported as assets directly associated with discontinued operations and liabilities directly associated with discontinued operations respectively.

15(b) Discontinued operation and disposal group classified as held for sale (Cont'd)

15(b).1 Details of the assets and liabilities classified as discontinued operations are as follows:

	Note	The Group **31 December 2017 US$'000**	 31 December 2016 US$'000	The Company **31 December 2017 US$'000**	 31 December 2016 US$'000
ASSETS					
Non-Current					
Current					
Inventories		-	267	-	267
Trade and other receivables		-	273	-	273
Total assets		-	540	-	540
LIABILITIES					
Non-Current					
Provisions		-	11	-	11
Deferred tax liabilities	(A)	-	1,720	-	1,720
		-	1,731	-	1,731
Current					
Trade payables		-	300	-	298
Other payables and accruals		-	334	-	279
Amounts due to director	(B)	-	1,086	-	1,086
Borrowings		-	(76)	-	(76)
		-	1,644	-	1,587
Total liabilities		-	3,375	-	3,318

(A) Deferred tax liabilities

The balances are attributable to the following:

The Group and The Company	**31 December 2017 US$'000**	31 December 2016 US$'000
Revaluation to fair value of leasehold land and building	-	1,720

As these liabilities are related to assets that are unable to meet the conditions required by FRS 105 to continue to be classified as assets held for sale, the Company has reclassified these liabilities from liabilities directly associated with discontinued operations to deferred tax liabilities as at 31 December 2017.

(B) Amounts due to director

The amounts due to director, comprising advances of US$ Nil (2016 – US$1,086,000) granted to the Company by Mr. Sam Kok Yin, the managing director of the Company. These advances, bearing interest at Nil% (2016 – 3%) per annum, were denominated in Singapore dollar, unsecured, and repayable on demand. The amounts had been fully repaid during the financial year.

15 Discontinued operation and disposal group classified as held for sale (Cont'd)

15.2 The results of the discontinued operations of the disposal group in previous year were as follows:

	Note	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Other operating income	26	**-**	875
Total revenue		**-**	875
Changes in inventories of finished goods and goods in transit		**-**	(170)
Employee benefits expense	27	**-**	(201)
Freight and handling charges		**-**	(20)
Repair and maintenance		**-**	(50)
Other expenses	28(a)	**-**	(553)
Loss before taxation	29	**-**	(119)
Tax expense	30	**-**	-
Loss for the year		**-**	(119)

15.3 The impact of the discontinued operations on the cash flows of the Group was as follows:

The Group	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Operating cash outflows	**-**	(384)
Investing cash inflows	**-**	1,391
Financing cash outflows	**-**	(3,362)
Total cash outflows	**-**	(2,355)

The Group and the Company have inventories with a carrying value of US$Nil (2016 – US$267,000) at the reporting date. As the Group had decided to cease internal production in respect of the Printing Business as at 31 December 2015, quotations were obtained from third parties in determining the recoverability of inventories to mitigate any uncertainty over the realisable value of the inventories for sale.

16 Share capital

The Group and The Company	No. of shares **31 December 2017 '000**	 31 December 2016 '000	Amount **31 December 2017 US$'000**	 31 December 2016 US$'000
Issued and fully paid ordinary shares with no par value:				
At beginning of year	**642,750**	248,000	**33,246**	19,284
Conversion of other equity instruments	**-**	220,000	**-**	8,089
Issuance of placement shares	**-**	57,150	**-**	2,980
Issue of shares for acquisition of non-controlling interest in a subsidiary	**-**	117,600	**-**	2,893
At end of year	**642,750**	642,750	**33,246**	33,246

On 24 March 2016, the Company issued and allotted 185,000,000 and 35,000,000 ordinary shares at a Conversion Price of S$0.05 per share in the capital of the Company, following the automatic conversion of S$11,000,000 outstanding convertible bonds due on maturity date, to Mr Shi Jiangang and Mr Sam Kok Yin respectively.

On 19 July 2016, the Company issued and allotted 57,150,000 ordinary shares at an issue price of S$0.07 per share in the capital of the Company to certain investors of the Company, following the loss of public float of the Company. These placements were satisfied wholly in cash and were completed on 19 July 2016.

On 30 December 2016, the Company issued and allotted 117,600,000 ordinary shares in the capital of the Company to Mr Jiang Hao in consideration of the acquisition of the remaining 49% non-controlling interest in its subsidiary Orient-Salt Chemicals Pte. Ltd. Refer to Note 4 on the acquisition.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

17 Other equity instruments

The Group and The Company	**31 December 2017 US$'000**	31 December 2016 US$'000
Warrants	**4,831**	-
Non-transferrable convertible bonds	**-**	-
At end of year	**4,831**	-

Warrants

The Group and The Company	**31 December 2017 US$'000**	31 December 2016 US$'000
At beginning of year	**-**	-
Issuance of warrants	**4,831**	-
At end of year	**4,831**	-

On 31 January 2017, the Company allotted and issued a renounceable non-underwritten rights issue of S$12,855,000 in principal amount consisting of zero coupon bonds due in 2021 with principal amount of S$0.02 for each bond, together with 642,750,000 free detachable European warrants. Each warrant carries the right to subscribe for one new ordinary share at an exercise price of S$0.02 each, in the capital of the Company. The main terms of the warrants are as follows:

(a) Each warrant carry the right to subscribe for one new share in the Company at an exercise price of S$0.02 for each new share. The warrant is exercisable on the market day immediately preceding the fourth anniversary of the date of issue of the warrants. The number of new shares to be allotted and issued by the Company, pursuant to the full exercise of the warrants, is 642,750,000 shares, which represents 100 per cent. of the number of issued shares in the Company.

(b) The warrants are immediately detachable from the bonds upon issue, issued in registered form and listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system, upon the listing of and quotation for the warrants on the SGX-ST, subject to, amongst others, an adequate spread of holdings of the warrants to provide for an orderly market in the warrants.

(c) The new shares arising from the exercise of the warrants, upon issue and allotment, will rank pari passu in all respects with the then existing shares in issue, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the new shares.

The warrant is classified as other equity instruments based on its fair value at inception date.

17 Other equity instruments (cont'd)

Non-transferrable convertible bonds

The Group and The Company	**31 December 2017 US$'000**	31 December 2016 US$'000
At beginning of year	**-**	8,704
Conversion of non-transferrable convertible bonds	**-**	(8,704)
At end of year	**-**	-

On 8 May 2014, the Company entered into a subscription agreement with Mr Shi Jiangang and Mr Sam Kok Yin (collectively, the "Subscribers" and each, a "Subscriber"), to issue to the Subscribers non-transferrable convertible bonds due 2016 in aggregate principal amount of S$14,000,000 (the "Convertible Bonds"), convertible into an aggregate of 280,000,000 new ordinary shares in the capital of the Company (the "Conversion Shares"), and to grant to the Subscribers an option to require the Company to allot and issue an aggregate of 210,000,000 new ordinary shares in the capital of the Company at the price of S$0.05 per option share (the "Call Option"). The main terms of the agreement are as follows:

(a) The Convertible Bonds have principal amount of S$14,000,000 and each Subscriber has the right to convert the Convertible Bonds at S$0.05 per Conversion Share any time during the eighteen (18) months' period from the date of the Convertible Bonds issue (the "Conversion period"). Such conversion is to be exercised in a minimum amount of S$3,000,000 and integral multiples thereof, provided that in respect of any remaining lesser amount, such Bonds shall be converted in full in that amount. The Convertible Bonds are not transferrable during the conversion period. The new shares shall rank pari passu in all respects with the existing shares of the Company.

(b) There is no interest payable during the period of the Convertible Bonds.

(c) Such Convertible Bonds that are not exercised within the conversion period will be automatically converted into Conversion Shares at the expiration of the conversion period.

(d) In consideration of the Subscribers agreeing to subscribe for the Convertible Bonds, the Company shall irrevocably grant to each Subscriber a Call Option to require the Company to allot and issue an aggregate of 210,000,000 new ordinary shares in the Capital of the Company at the price of S$0.05 per option share. This Call Option is exercisable (in whole and not in part only) once by each of the Subscribers at any time during the period of three (3) years commencing on the first anniversary of the date of completion of the Convertible Bonds.

The completion of the Convertible Bonds issue had taken place on 25 September 2014. The amount of the Convertible Bonds classified as equity of S$13,916,000 is net of attributable transaction costs of S$84,000.

During the financial year ended 31 December 2016, pursuant to the Subscription Agreement, all Convertible Bonds outstanding were automatically converted and the Company issued and allotted 185,000,000 and 35,000,000 new ordinary shares to Mr Shi Jiangang and Mr Sam Kok Yin respectively.

17 Other equity instruments (Cont'd)

Details of the options of the Company granted to directors of the Company are as follows:

Call Options

Name of the director	Option shares outstanding as at beginning of financial year	Aggregate option shares granted since commencement to end of financial year	Aggregate option shares exercised since commencement to end of financial year	Aggregate option shares outstanding as at end of financial year
		Number of Option Shares		
Shi Jiangang	138,750,000	138,750,000	-	138,750,000
Sam Kok Yin	71,250,000	71,250,000	-	71,250,000
Total	210,000,000	210,000,000	-	210,000,000

The Call Options are exercisable between the period of 25 September 2015 to 24 September 2018 at the exercise price of S$0.05 per option share. The Call Options were assessed and met the criteria to be classified as equity in nature. The total amount to be recognised at inception in equity is determined by reference to the fair value of the Call Options granted on the date of the grant. As these Call Options are equity instrument, they are not re-measured subsequently. Due to the significant uncertainties over the new business as determined on inception date, the probabilities of the various estimates (in relation to the valuation of the call option) within the range cannot be reasonably assessed and used in estimating the fair value, hence the Call Options are deemed to have insignificant value.

18 Reserves

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Translation reserve	**(681)**	(1,851)	**(906)**	(1,784)
Asset revaluation reserve	**10,008**	9,909	**10,008**	9,909
Discount/(premium) paid on acquisition of non-controlling interests	**1,386**	1,412	**-**	-
Accumulated losses	**(24,510)**	(23,827)	**(26,486)**	(24,034)
	(13,797)	(14,357)	**(17,384)**	(15,909)

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements from functional currency to presentation currency of United States Dollar.

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of leasehold land and building and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The movements in the asset revaluation reserve are as follows:

The Group and The Company	**31 December 2017 US$'000**	31 December 2016 US$'000
At beginning of year	**9,909**	9,909
Surplus on revaluation of leasehold land and building (Note 5)	**119**	-
Charge of deferred tax liabilities	**(20)**	-
At end of year	**10,008**	9,909

18 Reserves

Discount/(premium) paid on acquisition of non-controlling interests

The Group	31 December 2017 US$'000	31 December 2016 US$'000
Balance at beginning	1,412	-
Change in interest of a subsidiary (Note 4)	(26)	1,412
Balance at end	1,386	1,412

This represents the difference between the consideration paid and the carrying amount of additional equity interest of a subsidiary acquired from non-controlling interests.

19 Borrowings

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	31 December 2017 US$'000	31 December 2016 US$'000
Non-Current				
Obligations under finance leases (Note 19.1)	7	3	-	-
Bond payables (Note 19.2)	3,395	-	3,395	-
	3,402	3	3,395	-
Current				
Obligations under finance leases (Note 19.1)	3	9	-	-
Total borrowings	3,405	12	-	-

19.1 Obligations under finance leases

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	31 December 2017 US$'000	31 December 2016 US$'000
Minimum lease payments payable:				
Due not later than one year	3	9	-	-
Due later than one year and not later than five years	7	3	-	-
	10	12	-	-
less: Finance charges allocated to future periods	-*	-*	-	-
Present value of minimum lease payments	10	12	-	-
Present value of minimum lease payments:				
Due not later than one year	3	9		
Due later than one year and not later than five years	7	3		
	10	12	-	-

* Finance charges allocated to future periods are insignificant.

19 Borrowings (Cont'd)

19.1 Obligations under finance leases (cont'd)

	Nominal interest rate %	Maturity	The Group 31 December 2017 US$'000	The Group 31 December 2016 US$'000	The Company 31 December 2017 US$'000	The Company 31 December 2016 US$'000
Current:						
Finance lease liabilities	1.8%	2018	**3**	9	-	-
Non-current:						
Finance lease liabilities	1.8%	2020	**7**	3	-	-
			10	12	-	-

Finance lease liabilities are secured by the underlying assets acquired under the finance lease arrangements. The carrying amounts of finance lease liabilities approximate their fair values.

Finance lease liabilities are denominated in the Japanese Yen (2016 – Japanese Yen).

The weighted average interest rates of finance lease liabilities as of the reporting date is 1.8% (2016 - 1.8%) per annum.

Further details of the Company's financial risk management of foreign currency risk, interest rate risk and liquidity risk exposures are set out in Note 36.

19.2 Bond payables

The Group and the Company

On 17 June 2016, the Company and the Group announced a rights issue of up to $12,855,000 in principal amount of zero coupon bonds with principal amount of $0.02 for each bond, together with 642,750,000 free detachable European warrants. The issue price of the bonds will comprise 80% of the principal amount. 642,750,000 bonds with detachable warrant had been alloted and issued on 31 January 2017.

The bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Group and the Company and shall at all times rank pari passu and without any preference among themselves. The Group and the Company reserves the right to incur further debt and take on further borrowings which rank in priority to the Bonds.

Unless previously redeemed or purchased and cancelled, the Group and the Company will redeem each bond at one hundred per cent. (100%) of its principal amount on the maturity date at 30 January 2021.

The bonds do not bear any interest.

The bond is measured at amortised cost using the effective interest rate of 40.00%, based on the value of the debt liability at inception date. The amortised cost of the convertible bond is calculated using cash flows of the convertible bond at its corresponding discount rate.

The fair value of the bond payables as at 31 December 2017 is US$6,545,000.

The bond payables are denominated in Singapore dollars.

20 Provisions

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
At beginning and at end of year	**-**	-	**-**	-
Reclassified from discontinued operations (Note 15)	**11**	-	**11**	-
Balance at end	**11**	-	**11**	-

This relates to provision for restoration cost in respect of the leasehold buildings. The provision is denominated in Singapore dollar. The Group assumed that the leased land will be restored using technology and materials that are currently available. The unwinding of discount during the year is insignificant. The total expected costs to be incurred is US$11,135.

21 Trade payables

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Trade payables	**29,540**	10,827	**91**	-

Trade payables are non-interest bearing and have credit terms of between 0 and 90 (2016 - 0 and 90) days.

Further details of the foreign currency risk and liquidity risk for trade and other payables are disclosed in Note 36.2.

22 Other payables and accruals

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Accrued operating expenses	**523**	369	**108**	184
Accrued employee benefits	**586**	530	**25**	383
Other payables	**552**	1,033	**108**	218
	1,661	1,932	**241**	785

Other payables are non-interest bearing and normally settled on 30 to 90 (2016 - 30 to 90) days' terms.

Further details of the foreign currencies denomination and liquidity risk of other payables and accruals are disclosed in Note 36.

23 Advances from customers

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Advances from customers	**5,377**	2,907	**-**	-

The advances from customers amounting to US$5,377,000 (2016 - US$2,907,000) were made in relation to the sales of chemical supplies in respect of OSC's chemical trading business. The supplies were subsequently sold after the reporting date.

Further details of the foreign currencies denomination and liquidity risk of advances from customers are disclosed in Note 36.

24 Amounts due to directors

The amounts due to directors, comprising mainly advances of US$Nil (2016 - US$1,333,000) denominated in Singapore dollar granted to the Group by Mr Sam Kok Yin, the managing director of the Company and US$1,037,000 (2016 – US$1,719,000) denominated in US dollar granted to the Group by Mr Shi Jiangang, the chairman of the Company in respect of the chemical trading business. These advances bear interest at 3% (2016 - 3%) per annum, are unsecured and repayable on demand.

Further details of the Company's financial risk management of liquidity risk exposures are set out in Note 36.

25 Revenue

The Group	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Continuing operations		
Chemical trading	**523,890**	109,125
Outsourced printing services	**127**	756
	524,017	109,881

26 Other operating income

The Group	**Continuing operations**		**Discontinued operations**		**Total**	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Exchange gain, net	**187**	**-**	-	-	**187**	-
Fair value gain from financial assets at fair value through profit or loss	**72**	9	**-**	-	**72**	9
Interest income	**30**	9	**-**	-	**30**	9
Rental income	**26**	-	**-**	21	**26**	21
Government grants	**1**	-	**-**	67	**1**	67
Gain on sales of scrap material	**1**	-	**-**	9	**1**	9
Gain on disposal of paper inventory	**118**	-	**-**	-	**118**	-
Reversal of impairment loss on trade receivables classified as assets held-for-sale	**-**	-	**-**	70	**-**	70
Gain on disposal of property, plant and equipment classified as assets held-for-sale	**-**	-	**-**	482	**-**	482
Reversal of impairment loss on inventory classified as assets held-for-sale	**-**	-	**-**	116	**-**	116
Reversal of finance costs	**-**	-	**-**	100	**-**	100
Others	**-**	-	**-**	10	**-**	10
	435	18	**-**	875	**435**	893

27 Employee benefits expense

The Group	**Continuing operations**		**Discontinued operations**		**Total**	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Salaries, bonuses and other costs	**2,611**	1,287	**-**	175	**2,611**	1,462
Central Provident Fund	**127**	86	**-**	26	**127**	112
	2,738	1,373	**-**	201	**2,738**	1,574

27 Employee benefits expense (Cont'd)

Included in the above is key management personnel compensation, excluding fees paid to non-executive directors, which is included in Note 34.

28(a) Other expenses

The Group	Continuing operations		Discontinued operations		Total	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Auditors' remuneration - of the Company	**65**	58	**-**	-	**65**	58
Bank charges	**302**	175	**-**	1	**302**	176
Commission expense	**666**	520	**-**	-	**666**	520
Directors' fee	**72**	61	**-**	-	**72**	61
Entertainment expense	**333**	224	**-**	-	**333**	224
Exchange loss, net	**-**	380	**-**	41	**-**	421
Export fees	**-**	63	**-**	-	**-**	63
Factory supplies	**-**	25	**-**	-	**-**	25
Impairment loss on trade receivables	**13**	-	**-**	-	**13**	-
Impairment loss on property, plant and equipment classified as held-for-sale	**-**	-	**-**	219	**-**	219
Insurance expenses	**102**	54	**-**	-	**102**	54
Legal and professional fee	**305**	253	**-**	5	**305**	258
Management fee	**21**	11	**-**	-	**21**	11
Marketing fee	**-**	2	**-**	-	**-**	2
Office expenses	**19**	44	**-**	-	**19**	44
Operating lease expenses	**3,467**	491	**-**	101	**3,467**	592
Property tax	**90**	-	**-**	84	**90**	84
Security fee	**84**	-	**-**	70	**84**	70
Software cost	**11**	2	**-**	-	**11**	2
Telephone expenses	**49**	38	**-**	-	**49**	38
Transport expenses	**14**	2	**-**	-	**14**	2
Travel expenses	**227**	95	**-**	-	**227**	95
Utilities	**19**	9	**-**	-	**19**	9
Vehicle upkeep expenses	**3**	101	**-**	-	**3**	101
Others	**558**	161	**-**	32	**558**	193
	6,420	2,769	**-**	553	**6,420**	3,322

28(b) Finance costs

The Group	Continuing operations		Discontinued operations		Total	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Interest expense						
- Interest expenses of zero coupon bonds	**875**	-	**-**	-	**875**	-
- interest on advances from directors	**65**	54	**-**	-	**65**	54
- trade receivables factoring	**-**	4	**-**	-	**-**	4
- letter of credit	**47**	60	**-**	-	**47**	60
- others	**23**	18	**-**	-	**23**	18
	1,010	136	**-**	-	**1,010**	136

29 Loss before taxation

The Group	Note	Continuing operations **31 December 2017 US$'000**	Continuing operations 31 December 2016 US$'000	Discontinued operations **31 December 2017 US$'000**	Discontinued operations 31 December 2016 US$'000	Total **31 December 2017 US$'000**	Total 31 December 2016 US$'000
Loss before taxation has been arrived at after charging/(crediting):							
Directors' fee		**72**	61	**-**	-	**72**	61
Auditors' remuneration - of the Company		**65**	58	**-**	-	**65**	58
Depreciation of property, plant and equipment	5	**853**	8	**-**	-	**853**	8
Impairment loss/ (Reversal of impairment) on trade receivables, net		**13**	-	**-**	(70)	**13**	(70)
Gain on disposal of property, plant and equipment		**-**	(482)	**-**	-	**-**	(482)
Write-down of inventories, net		**91**	-	**-**	(233)	**91**	(233)
Write-off of inventories, net		**62**	-	**-**	-	**62**	-
Changes in inventories of finished goods and goods in transit	7	**506,434**	103,557	**-**	-	**506,434**	103,557
Raw materials and consumables used	7	**-**	-	**-**	170	**-**	170
Exchange (gain)/loss, net		**(187)**	380	**-**	41	**(187)**	421
Operating lease expenses		**3,467**	491	**-**	101	**3,467**	592

30 Taxation

30.1 Income tax recognised in profit or loss

The Group	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Current tax expense		
Continuing operations:		
- Current year	**496**	182
Deferred taxation		
Continuing operations:		
- Current year	**(196)**	(2)
Tax expense	**300**	180

30 Tax expense (Cont'd)

30.1 Income tax recognised in profit or loss (Cont'd)

Reconciliation of effective tax rate

The tax expense on the results of the financial year varies from the amount of income tax determined by applying each entity's domestic rates of income tax on the Group's results as a result of the following:

The Group	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Loss before taxation:		
Continuing operations	**(377)**	(62)
Discontinued operations	**-**	(119)
	(377)	(181)
Tax at the domestic rates applicable to profit/(loss) in the countries concerned [(1)]	**(50)**	(104)
Non-deductible expenses [(2)]	**405**	130
Non-taxable income	**(25)**	(91)
Tax incentives	**(48)**	(41)
Utilisation of prior year tax losses	**(139)**	-
Deferred tax assets on current year losses not recognised	**150**	288
Others	**7**	(2)
	300	180

Allocated to:

The Group	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Continuing operations		
- Current year	**300**	180

[(1)] The domestic tax rates applicable to profit of the following companies are as follows:

	Country	Rate	Basis
Abundance International Limited	Singapore	17.0%	Full tax
Craft Print Pte. Ltd.	Singapore	17.0%	Full tax
Printing Farm Pte. Ltd.	Singapore	17.0%	Full tax
Orient-Salt Chemicals Pte. Ltd.	Singapore	17.0%	Full tax
Abundance Investments Pte. Ltd.	Singapore	17.0%	Full tax
Dong Yan Chemical (Shanghai) Co., Ltd.	People's Republic China	25.0%	Full tax
Touen Japan Co., Ltd.	Japan	35.4%	Full tax

[(2)] This relates to disallowed expenditure incurred in the ordinary course of business. The increase was mainly due to depreciation of the Group's and Company's leasehold property which was reclassified from assets directly associated with discontinued operations in the year 2017 and interest on zero coupon bonds which had been allotted and issued on 31 January 2017.

30.2 Other comprehensive loss net of tax

The Group	**Before tax US$'000**	**Tax expense US$'000**	**Net of tax US$'000**
31 December 2017			
Asset revaluation reserve	**119**	**(20)**	**99**
Currency translation difference	**1,170**	**-**	**1,170**
	1,289	**(20)**	**1,269**
31 December 2016			
Currency translation difference	(302)	-	(302)

31 Loss per share

The Group	Continuing operations		Discontinued operations		Total	
	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Net loss attributable to equity holders of the Company (US$'000) (A)	**(683)**	(413)	**-**	(119)	**(683)**	(532)
Weighted average number of ordinary shares outstanding for basic loss per share (B)	**642,750,000**	494,157,123	**642,750,000**	494,157,123	**642,750,000**	494,157,123
Weighted average number of ordinary shares outstanding for diluted loss per share (C)	**642,750,000**	494,157,123	**642,750,000**	494,157,123	**642,750,000**	494,157,123
Basic loss per share (cents per share) (A)/(C)	**(0.11)**	(0.08)	**-**	(0.02)	**(0.11)**	(0.10)
Diluted loss per share (cents per share) (A)/(B)	**(0.11)**	(0.08)	**-**	(0.02)	**(0.11)**	(0.10)

(a) Discontinued operations

Basic and diluted loss per share from discontinued operations are calculated by dividing the loss from discontinued operation, net of tax, attributable to equity holder of the Company by the weighted average number of ordinary shares outstanding during the year.

(b) Loss per share from continuing operations

Basic and diluted loss per share from continuing operations are calculated by dividing the loss for the year from continuing operations attributable to equity holder of the Company by the weighted average number of ordinary shares outstanding during the year.

31 Loss per share (Cont'd)

The effect of the warrants as potential ordinary shares is antidilutive. This is because the conversion to ordinary shares would decrease loss per share from continuing operations. Accordingly, the calculation of diluted earnings per share does not assume conversion because that would have an antidilutive effect on earnings per share.

32 Commitments

Operating lease commitments – where the Group and the Company are lessees

At the reporting date, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases for leasehold land and equipment:

The Group and The Company	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Within one year	**134**	150
Between one and five years	**85**	29
More than five years	**-**	-
	219	179

These operating leases expire between September 2018 and October 2019. The leasehold land is renewable for 30 years upon maturity of the lease in October 2019. The current rent payable on the leases is between US$33 and US$9,200 (2016 – US$73 and US$9,700) per month, which is subject to revision on renewal of lease agreements.

33 Related party transactions

The Group

Other than as disclosed elsewhere in the financial statements, significant transactions with related parties on terms agreed between the parties are as follows:

The Group	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Interest incurred on advances from directors	**66**	54
Advances from directors	**13,517**	4,138
Sales to related parties	**38,338**	4,991
Purchases from related parties	**17,680**	1,237
Rental of office space	**111**	-
Rental of vehicles	**62**	-

During the year ended 31 December 2017, management fees of US$360,000 (2016 - US$360,000) was charged to a subsidiary by the Company.

34 Key management personnel compensation

	The Group		The Company	
	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Short-term employee benefits	**645**	760	**562**	760
Central Provident Fund	**27**	29	**27**	29
	672	789	**589**	789

Remuneration paid to employees who are family members of the directors

	The Group		The Company	
	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Short-term employee benefits	**178**	-	**-**	-
Central Provident Fund	**-**	-	**-**	-
	178	-	**-**	-

35 Operating segments

Business segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

(i) Chemicals – covers the chemical trading business

(ii) Outsourced printing – covers the outstanding and new sales orders that were received in respect of the Printing Business which were outsourced to other printers to produce on behalf of the Group.

(iii) Investment – covers the investment business

(iv) Internal printing – covers the internal production in respect of the Printing business which was ceased effective 31 December 2015

There are no operating segments that have been aggregated to form the above reportable operating segments.

Sales to external customers disclosed in geographical segments are based on the geographical location of the customers.

The Managing Director monitors the operating results of its operating segments for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Group financing and income taxes are managed on a group basis and are not allocated to operating segments. Sales between operating segments are carried out at arm's length.

35 Operating segments (Cont'd)

	<------	------	------Continuing------	------	------	------>	Discontinued		Consolidated	
	Chemicals		Printing		Investment		Internal Printing			
	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Sales to external customers	**523,890**	109,125	**127**	756	**-**	-	**-**	-	**524,017**	109,881
Segment revenue	**523,890**	109,125	**127**	756	**-**	-	**-**	-	**524,017**	109,881
Segment results	**2,310**	1,080	**(1,744)**	(1,013)	**67**	7	**-**	(119)	**633**	(45)
Gain/(loss) from operating activities									**633**	(45)
Finance costs									**(1,010)**	(136)
Loss before income tax									**(377)**	(181)
Tax expense									**(300)**	(180)
Loss for the year									**(677)**	(361)
Other material items:										
Impairment (loss)/reversal of impairment loss of trade receivables, net	**3**	-	**(16)**	-	**-**	-	**-**	70	**(13)**	70
Write-down of inventories, net	**(91)**	-	**-**	-	**-**	-	**-**	233	**(91)**	233
Write-off of inventories	**-**	-	**(62)**	-	**-**	-	**-**	-	**(62)**	-
Capital expenditure	**13**	50	**-**	-	**-**	-	**-**	135	**13**	185
Depreciation of property, plant and equipment	**-**	(8)	**(853)**	-	**-**	-	**-**	-	**(853)**	(8)
Impairment loss on property, plant and equipment classified as held-for-sale	**-**	-	**-**	-	**-**	-	**-**	(219)	**-**	(219)
Gain on disposal of PPE	**-**	-	**-**	-	**-**	-	**-**	482	**-**	482

35 Operating segments (Cont'd)

Information by segment on the Group's operations has not been analysed by assets employed because it is not meaningful, as the Group's operations are not distinctly delineated in terms of the assets of the Group.

Geographical segments

Revenue information based on geographical location of customers are as follows:

	<---Continuing					--->	<---Discontinued					--->	Consolidated	
	China		Other Countries in Asia		Others		Asia Pacific		North America		Europe & Africa			
	Year ended 31 December 2017 US$'000	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000	**Year ended 31 December 2017 US$'000**	Year ended 31 December 2016 US$'000
Segment revenue														
External revenue	**453,316**	90,478	**46,604**	10,737	**24,097**	8,666	**-**	-	-	-	**-**	-	**524,017**	109,881
Total revenue													**524,017**	109,881

Revenue is attributed to geographical areas based on the geographical location of the Group's customers. The Group acts as a principal in the trading of chemical products because it has the primarily responsibility for providing the goods to the customers or for fulfilling the order. In addition, the Group bears the inventory risk, credit risk and has latitude in establishing prices. The chemical products are sourced from numerous suppliers and the Group resell to its customers mainly based on FOB or CFR terms. The significant increase in revenue from the trading of chemical products is due to a full year of operation of Dong Yan Chemical (Shanghai) Co., Ltd in FY2017 as compared to 4 months of operation in FY2016. The Group earned a spread of 3.4% (2016 – 5.7%) for trading in chemical products.

The Group's assets are substantially located in Singapore.

There is no customer with 10% or more of the entity's revenue.

Accordingly, segment asset, segment liabilities and capital expenditure information is not provided as it is not meaningful.

36 Financial risk management objectives and policies

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and their risk management philosophy. The Group and the Company are exposed to financial risks arising from their operations. The key financial risks included market risk, credit risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies and evaluates financial risks in close co-operation with the Group's and the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and liquidity risk.

There has been no change to the Group's and Company's exposure to these financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis indicated below.

36.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from its bank balances and borrowings. The Group and the Company do not enter into derivative financial instruments contracts to hedge interest rate risk. The Group's policies are to obtain the most favourable interest rates available without increasing their foreign currency exposure. The Group and the Company are not exposed to any interest rate risk as it does not have any monetary financial instruments with variable interest rates.

36.2 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group and the Company are exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar and United States dollar.

There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

36 Financial risk management objectives and policies (Cont'd)

The Group's and the Company's exposures to currency risks are as follows:

The Group	Singapore Dollar		US Dollar		Australian Dollar		British Pound		Renminbi		Euro	
	31 December 2017	31 December 2016	**31 December 2017**	31 December 2016	**31 December 2017**	31 December 2016	**31 December 2017**	31 December 2016	**31 December 2017**	31 December 2016	**31 December 2017**	31 December 2016
Continuing operations	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Financial Assets												
Trade and other receivables	-	-	**52**	-	**5**	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Cash and bank balances	**507**	10	**1,202**	11	**2**	2	**2**	1	**10**	-	**1**	1
	507	10	**1,254**	11	**7**	2	**2**	1	**10**	-	**1**	1
Financial Liabilities												
Trade payables	-	-	**1**	-	-	-	-	-	-	-	**7**	-
Other payables and accruals	**19**	22	**14**	6	**10**	8	**21**	3	-	-	-	-
Amounts due to directors	-	-	-	1,719	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
	19	22	**15**	1,725	**10**	8	**21**	3	-	-	**7**	-
Net currency exposure on financial assets and (financial liabilities)	**488**	(12)	**1,239**	(1,714)	**(3)**	(6)	**(19)**	(2)	**10**	-	**(6)**	1

36 Financial risk management objectives and policies (Cont'd)

36.2 Foreign currency risk (cont'd)

The Company	US Dollar 31 December 2017 US$'000	US Dollar 31 December 2016 US$'000	Australian Dollar 31 December 2017 US$'000	Australian Dollar 31 December 2016 US$'000	British Pound 31 December 2017 US$'000	British Pound 31 December 2016 US$'000	Euro 31 December 2017 US$'000	Euro 31 December 2016 US$'000
Continuing operations								
Financial Assets								
Trade and other receivables	**-**	-	**5**		**-**		**-**	
Amounts due from related corporations	**-**	1,665	**-**	-	**-**	-	**-**	-
Cash and bank balances	**1**	11	**2**	2	**2**	1	**1**	1
	1	1,676	**7**	2	**2**	1	**1**	1
Financial Liabilities								
Trade payables	**1**		**-**		**-**		**7**	
Other payables and accruals	**6**	6	**8**	8	**3**	3	**-**	-
Amounts due to directors	**-**	1,719	**-**	-	**-**	-	**-**	-
	7	1,725	**8**	8	**3**	3	**7**	-
Net currency exposure on financial assets and (financial liabilities)	**(6)**	(49)	**(1)**	(6)	**(1)**	(2)	**(6)**	1

36 Financial risk management objectives and policies (Cont'd)

36.2 Foreign currency risk (cont'd)

The Group	US Dollar 31 December 2017 US$'000	US Dollar 31 December 2016 US$'000	Australian Dollar 31 December 2017 US$'000	Australian Dollar 31 December 2016 US$'000	British Pound 31 December 2017 US$'000	British Pound 31 December 2016 US$'000	Euro 31 December 2017 US$'000	Euro 31 December 2016 US$'000
Discontinued operations (Note 15)								
Financial Assets								
Trade and other receivables	-	15	-	30	-	-	-	-
	-	15	-	30	-	-	-	-
Financial Liabilities								
Trade payables	-	3	-	-	-	-	-	6
Other payables and accruals	-	8	-	2	-	17	-	-
Borrowings	-	-	-	14	-	-	-	-
	-	11	-	16	-	17	-	6
Net currency exposure on financial assets and (financial liabilities)	-	4	-	14	-	(17)	-	(6)

36 Financial risk management objectives and policies (Cont'd)

36.2 Foreign currency risk (cont'd)

The Company	US Dollar **31 December 2017 US$'000**	 31 December 2016 US$'000	Australian Dollar **31 December 2017 US$'000**	 31 December 2016 US$'000	British Pound **31 December 2017 US$'000**	 31 December 2016 US$'000	Euro **31 December 2017 US$'000**	 31 December 2016 US$'000
Discontinued operations (Note 15)								
Financial Assets								
Trade and other receivables	-	15	-	30	-	-	-	-
	-	15	-	30	-	-	-	-
Financial Liabilities								
Trade payables	-	3	-	-	-	-	-	5
Loans and borrowings	-	-	-	14	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-
	-	3	-	14	-	-	-	5
Net currency exposure on financial assets and (financial liabilities)	-	12	-	16	-	-	-	(5)

36 Financial risk management objectives and policies (Cont'd)

36.2 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

A 5% strengthening of the above currencies against the respective functional currencies of the Group entities at year ended would have increased/decreased loss before tax and decreased/increased equity by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

	Increase/(Decrease)			
	Year ended ------31 December 2017------		Year ended -----31 December 2016----	
Continuing operations	**Loss before tax US$'000**	**Equity US$'000**	Loss before tax US$'000	Equity US$'000
The Group				
Singapore dollar	**(24)**	**24**	1	(1)
United States dollar	**(62)**	**62**	86	(86)
British Pound	**1**	**(1)**	-	-
Euro	**(1)**	**1**	-	-
The Company				
United States dollar	**-**	**-**	2	(2)

Sensitivity analysis for foreign currency risk exposure to the discontinued operations is as follows:

	Increase/(Decrease)			
	Year ended ------31 December 2017------		Year ended -----31 December 2016----	
Discontinued operations	**Loss before tax US$'000**	**Equity US$'000**	Loss before tax US$'000	Equity US$'000
The Group				
United States dollar	**-**	**-**	(1)	1
Australian dollar	**-**	**-**	(1)	1
British Pound	**-**	**-**	1	(1)
The Company				
United States dollar	**-**	**-**	(1)	1
Australian dollar	**-**	**-**	(1)	1
British Pound	**-**	**-**	-	-

36.3 Credit risk

Credit risk refers to the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group and the Company adopt the policy dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk. In addition, receivable balances and payment profile of the debtors are monitored on an ongoing basis. The Group also uses factoring and credit insurance or request customers' letters of credit to mitigate credit risk. For other financial assets, the Group and the Company adopt policy dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure.

36 Financial risk management objectives and policies (Cont'd)

36.3 Credit risk (Cont'd)

Exposure to credit risk
As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individual significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The Group's and the Company's major classes of financial assets are bank deposits and trade and other receivables. Cash is held with financial institutions of high credit ratings.

These trade receivables are creditworthy counterparties with good track record of credit history. Other than as disclosed in Note 8 to the financial statements, management believes that no additional credit risk lies in the Company's trade and other receivables.

For the discontinued operations, for the financial year ended 2016, one trade receivable of the discontinued operations account for approximately 47% of total trade receivables. These trade receivables are creditworthy counterparties with good track record of credit history.

The credit risk for trade and other receivables of discontinued operations is as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
By geographical areas				
Asia Pacific	-	258	-	258
North America	-	15	-	15
	-	273	-	273

The age analysis of trade and other receivables for discontinued operations is as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Not past due and not impaired	-	86	-	86

36 Financial risk management objectives and policies (Cont'd)

36.3 Credit risk (Cont'd)

Financial assets associated with the trade and other receivables for discontinued operations that are past due but not impaired are as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Past due but not impaired				
Less than 30 days	**-**	130	**-**	130
30 to 60 days	**-**	19	**-**	19
61 to 90 days	**-**	4	**-**	4
More than 90 days	**-**	34	**-**	34
	-	187	**-**	187

As the Group and the Company do not hold any collateral for discontinued operations, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

Financial assets associated with the trade and other receivables for discontinued operations that are past due and impaired are as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Trade receivables				
Gross amount	**-**	2,147	**-**	2,065
Allowance for impairment losses	**-**	(2,147)	**-**	(2,065)
	-	-	**-**	-
Other receivables				
Gross amount	**-**	103	**-**	103
Allowance for impairment losses	**-**	(103)	**-**	(103)
	-	-	**-**	-

The impaired trade and other receivables arise mainly due to those balances which are not considered to be collectible.

36.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient cash and continues funding through an adequate amount of credit facilities.

36 Financial risk management objectives and policies (Cont'd)

36.4 Liquidity risk (cont'd)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities of the continuing operations based on contractual undiscounted cash flows:

Continuing operations		----Contractual undiscounted cash flows----		
The Group	Carrying amount US$'000	Total US$'000	Within 1 year US$'000	Within 2 to 5 years US$'000
As at 31 December 2017				
Trade payables	**29,540**	**29,540**	**29,540**	**-**
Other payables and accruals	**1,661**	**1,661**	**1,661**	**-**
Borrowings	**3,405**	**9,629**	**3**	**9,626**
Amounts due to directors	**1,037**	**1,037**	**1,037**	**-**
Provisions	**11**	**11**	**-**	**11**
	35,654	**41,878**	**32,241**	**9,637**
As at 31 December 2016				
Trade payables	10,827	10,827	10,827	-
Other payables and accruals	1,932	1,932	1,932	-
Borrowings	12	12	9	3
Amounts due to directors	3,052	3,052	3,052	-
	15,823	15,823	15,820	3

Continuing operations		----Contractual undiscounted cash flows----		
The Company	Carrying amount US$'000	Total US$'000	Within 1 year US$'000	Within 2 to 5 years US$'000
As at 31 December 2017				
Trade payables	**91**	**91**	**91**	**-**
Other payables and accruals	**241**	**241**	**241**	**-**
Borrowings	**3,395**	**9,619**	**-**	**9,619**
Provisions	**11**	**11**	**-**	**11**
	3,738	**9,962**	**332**	**9,630**
As at 31 December 2016				
Other payables and accruals	785	785	785	-
Amounts due to directors	3,052	3,052	3,052	-
	3,837	3,837	3,837	-

36 Financial risk management objectives and policies (Cont'd)

36.4 Liquidity risk (cont'd)

The table below analyses the maturity profile of the discontinued operations' financial liabilities based on contractual undiscounted cash flows:

Discontinued operations The Group	Carrying amount US$'000	----Contractual undiscounted cash flows---- Total US$'000	 Within 1 year US$'000	 Within 2 to 5 years US$'000
As at 31 December 2017				
Trade payables	-	-	-	-
Other payables and accruals	-	-	-	-
Borrowings	-	-	-	-
Amounts due to directors	-	-	-	-
	-	-	-	-
As at 31 December 2016				
Trade payables	300	300	300	-
Other payables and accruals	334	334	334	-
Borrowings	(76)	(76)	(76)	-
Amounts due to directors	1,086	1,086	1,086	-
Provisions	11	11	-	11
	1,655	1,655	1,644	11

Discontinued operations The Company	Carrying amount US$'000	----Contractual undiscounted cash flows---- Total US$'000	 Within 1 year US$'000	 Within 2 to 5 years US$'000
As at 31 December 2017				
Trade payables	-	-	-	-
Other payables and accruals	-	-	-	-
Borrowings	-	-	-	-
Amounts due to directors	-	-	-	-
	-	-	-	-
As at 31 December 2016				
Trade payables	298	298	298	-
Other payables and accruals	279	279	279	-
Borrowings	(76)	(76)	(76)	-
Amounts due to directors	1,086	1,086	1,086	-
Provisions	11	11	-	11
	1,598	1,598	1,587	11

36.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices. The Group is exposed to market price risks arising from its investment in equity investments quoted on the SGX-ST in Singapore classified as financial asset at fair value through profit or loss.

Market price sensitivity
At the end of reporting period, if the Straits Times Index ("STI") had been 5% higher/lower with all other variables held constant, the Group's loss net of tax would have been US$11,000 (2016 – US$6,000) lower/higher, arising as a result of higher/lower fair value gains on financial assets at fair value through profit or loss in equity instruments.

The discontinued operations do not hold any quoted or marketable financial instruments.

The Group's sensitivity to market prices has not changed significantly from the prior year.

37 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its equity and debt capital structure to ensure optimal capital management and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently does not adopt any formal dividend policy.

The Group manages their equity and debt capital structure and make adjustments to them, whenever necessary, in the light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2017 and period ended 31 December 2016.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group monitors capital using Gearing Ratio, which is total liabilities (excluding income taxes) divided by total equity.

The Group	**31 December 2017 US$'000**	31 December 2016 US$'000
Total liabilities (A)	**41,031**	22,105
Total equity (B)	**24,284**	18,903
Gearing ratio (times) (A)/(B)	**1.69**	1.17

38 Fair values measurement

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

38.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
  Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability.

The following table summarises the levels in the fair value hierarchy into which the Group's financial assets are categorised as of 31 December 2017 and 2016:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
31 December 2017				
Assets				
Financial assets at fair value through profit or loss	**227**	**-**	**-**	**227**
31 December 2016				
Assets				
Financial assets at fair value through profit or loss	111	-	-	111
Available for sale financial assets				
- Debt securities	-	648	-	648

There were no transfers between Level 1, Level 2 and Level 3 of fair value hierarchy during the financial year ended 31 December 2017 and 2016.

38 Fair values measurement (Cont'd)

The following is a summary of the quantitative inputs and assumptions used for items categorised in Level 2 of the fair value hierarchy as of 31 December 2017 and 2016.

Assets at fair value	Fair value at 31 December 2017 US$'000	31 December 2016 US$'000	Observable Input	Assumptions
Available for sale financial assets				
- Debt securities	-	648	Carrying amount	Carrying amount of the financial asset approximates its fair value as investment is short-term and are withdrawn and then reinvested every 1-3 days

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Obligation under finance leases
Set out below is a comparison by category of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements at other than fair value:

	Carrying amount		Estimated fair value	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Financial liabilities				
Obligations under finance leases	**10**	12	**10**	12
	10	12	**10**	12

The fair value of finance lease liabilities is estimated as the present value of future cash flows, discounted at the weighted average of effective interest rate of these finance leases.

Fair value measurement of non-financial instruments
The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2017 and 2016:

	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
31 December 2017				
Leasehold land and building	**-**	**13,843**	**-**	**13,843**
31 December 2016				
Leasehold land and building	-	13,704	-	13,704

Fair value of the leasehold land and building is estimated based on appraisals performed by independent, professionally-qualified property valuer. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and Audit Committee at each reporting date. The fair value was assessed at US$13,843,000 (2016 – US$13,704,000).

38 Fair values measurements (Cont'd)

Further information is set out below.

Leasehold land and building (Level 2)
Leasehold land and building is carried at fair values at the end of the reporting period as determined by independent professional valuer. The valuation is based on Direct Comparison Method and Income Approach in arriving at the fair value of the properties. The Direct Comparison Method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the leasehold land and buildings. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.

There were no transfers between Level 1, Level 2 and Level 3 of fair value hierarchy during the financial years ended 31 December 2017 and 31 December 2016.

39 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Continuing operation				
Loans and receivables (carried at amortised costs):				
Trade and other receivables (less goods and services tax receivables)	**27,340**	7,276	**48**	45
Deposits	**60**	77	**4**	26
Amounts due from related corporations	**-**	-	**4,877**	2,855
Cash and bank balances	**8,925**	856	**76**	57
Total Loans and Receivables	**36,325**	8,209	**5,005**	2,983
Held for trading – FVTPL (carried at fair value):				
Financial assets at fair value through profit or loss	**227**	111	**-**	-
Available for sale (carried at fair value):				
Available for sale financial assets	**-**	648	**-**	-
	36,552	8,968	**5,005**	2,983
Financial liabilities (carried at amortised cost):				
Trade payables	**29,540**	10,827	**91**	-
Other payables and accruals	**1,661**	1,932	**241**	785
Amounts due to directors	**1,037**	3,052	**-**	3,052
Borrowings	**3,405**	12	**3,395**	-
Provisions	**11**	-	**11**	-
	35,654	15,823	**3,738**	3,837

39 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (cont'd)

The discontinued operations' carrying amounts of financial assets and financial liabilities in each category are as follows:

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Discontinued operations				
Loans and receivables (carried at amortised costs):				
Trade and other receivables	-	273	-	273

	The Group		The Company	
	31 December 2017 US$'000	31 December 2016 US$'000	**31 December 2017 US$'000**	31 December 2016 US$'000
Discontinued operations				
Financial liabilities (at amortised cost):				
Trade payables	-	300	-	298
Other payables and accruals	-	334	-	279
Amounts due to directors	-	1,086	-	1,086
Borrowings	-	(76)	-	(76)
	-	1,644	-	1,587

40 Events after end of reporting period

The Company had on 14 March 2018 entered into the following agreements:

- a joint venture agreement (the "**JVA**") with a Japanese incorporated company to incorporate and operate an Enterprise Wholly-Owned by Foreign Investor (the "**JV Company**") in the People's Republic of China (the "**PRC**") (the "**Joint Venture**"), pursuant to which the JV Partner and the Company each hold 30% and 70% of the registered share capital of the JV Company respectively; and

- a put and call option agreement (the "**PCOA**") with Mr Shi Jiangang (Executive Chairman of the Company) in respect of a put and call option over certain shares held by the Company representing 40% of the registered share capital of the JV Company at the time of incorporation, pursuant to the grant by Mr Shi Jiangang of an interest-free loan of RMB2,400,000 to the Company, being the amount to be contributed for 40% of the registered share capital of the JV Company .

The JV Company will be incorporated as a limited liability company under the laws of the PRC.

The JV Company will principally 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.

NOTICE OF ANNUAL GENERAL MEETING

ABUNDANCE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(Co. Reg. No: 197501572K)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ABUNDANCE INTERNATIONAL LIMITED (the "Company") will be held at 9 Joo Koon Circle, Singapore 629041 on Thursday, 26 April 2018 at 10 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the period ended 31 December 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Article 91 of the Company's Constitution:

   Mr Chan Cher Boon **(Resolution 2)**

   Mr Francis Yau Thiam Hwa **(Resolution 3)**

   Mr Chan Cher Boon, upon re-election as a Director of the Company, will remain as an Independent Director.

   Mr Francis Yau Thiam Hwa, upon re-election as a Director of the Company, will remain as an Independent Director.

3. To re-elect the following Director retiring pursuant to Article 97 of the Company's Constitution:

   Mr Jiang Hao **(Resolution 4)**

   Mr Jiang Hao, upon re-election as a Director of the Company, will remain as an Executive Director.

4. To approve the payment of Directors' fees of S$99,000 for the period ended 31 December 2017 (FY2016: S$99,000). **(Resolution 5)**

5. To re-appoint Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

ABUNDANCE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(Co. Reg. No: 197501572K)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

All capitalised terms in Resolution 8 below and defined in the Letter to Shareholders dated 11 April 2018 shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Letter to Shareholders dated 11 April 2018.

7. **SHARE ISSUE MANDATE**

That pursuant to Section 161 of the Companies Act, Cap. 50 (the "Act") and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be given to the Directors of the Company to issue shares ("**Shares**") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed hundred percent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to all shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) new shares arising from exercising share options or vesting of Share awards outstanding or subsisting at the time this Resolution is passed; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares,

and in sub-paragraph (a) above and this sub-paragraph (b), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST, Section B: Rules of Catalist;

(c) and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities.

[See Explanatory Note (i)]

(Resolution 7)

8. **RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE**

(a) That approval be and is hereby given, for the renewal of the mandate for the purposes of Chapter 9 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into the interested person transactions pursuant to Chapter 9 ("**IPTs**") with the Interested Persons, particulars of which are set out in the Letter to Shareholders dated 11 April 2018, provided that such transactions are (i) made on normal commercial terms and will not be prejudicial to the interest of the Company and its minority Shareholders and (ii) in accordance with the review procedures for such IPTs (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company;

(c) the Non-Interested Directors of the Company and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the IPT Mandate as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company; and

(d) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time.

[See Explanatory Note (ii)]

(Resolution 8)

By Order of the Board

Ong Beng Hong/Tan Swee Gek
Company Secretaries
Singapore, 11 April 2018

Explanatory Notes on Resolutions to be passed:

(i) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding one hundred percent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty percent (50%) may be issued other than on a pro rata basis.

(ii) The Ordinary Resolution 8 proposed in item 8 above relates to the renewal of a mandate given by Shareholders to the Company on 26 April 2017, allowing the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into interested person transactions pursuant to Chapter 9. Please refer to the Letter to Shareholders dated 11 April 2018 for details.

NOTICE OF ANNUAL GENERAL MEETING

ABUNDANCE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(Co. Reg. No: 197501572K)

Notes:

1. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Annual General Meeting. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

   (b) A member who is a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

2. A proxy need not be a Member of the Company.

3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 9 Joo Koon Circle, Singapore 629041 not less than seventy-two (72) hours before the time appointed for holding the Meeting.

5. A depositor shall not be regarded as a member of a Company entitled to attend, speak and vote at the Annual General Meeting unless his name appears on the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289) 72 hours before the time fixed for the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

IMPORTANT:
CPF Investors
1. For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

Personal Data Privacy
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Company's Notice of Annual General Meeting.

Multiple Proxies
5. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50) may appoint more than two proxies to attend, speak and vote at the AGM.

PROXY FORM

(Please see notes overleaf before completing this Form)

ABUNDANCE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(Co. Reg. No: 197501572K)

*I/We, ...

of ....

*being a member/members of **ABUNDANCE INTERNATIONAL LIMITED** (the "**Company**"), hereby appoint:*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at 9 Joo Koon Circle, Singapore 629041 on Thursday, 26 April 2018, at [•] a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions relating to:	For	Against
1	Directors' Statement and Audited Financial Statements for the period ended 31December 2017		
2	Re-election of Mr Chan Cher Boon as a Director		
3	Re-election of Mr Francis Yau Thiam Hwa as a Director		
4	Re-election of Mr Jiang Hao as a Director		
5	Approval of Directors' fees amounting to S$99,000		
6	Re-appointment of Foo Kon Tan LLP as Auditors		
7	Authority to allot and issue new shares		
8	Authority to enter into transactions with interested persons		

**Delete where inapplicable*

Dated this _________ day of April 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)/
and, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Meeting. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

   (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 9 Joo Koon Circle, Singapore 629041 not less than 72 hours before the time appointed for the Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.