

ABUNDANCE INTERNATIONAL LIMITED

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

Unaudited Half Year Financial Statement And Dividend Announcement for the 6 months ended 30 June 2017.

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

	GROUP		
	Half-year ended 30/06/17	Half-year ended 30/06/16	% Change (+/-)
	US\$'000	US\$'000	
Revenues			
Sale of goods	222,684	23,959	+829.4
Other income	64	-	N.M.
Costs and expenses			
Raw materials and consumables used	214,033	22,943	+832.9
Salaries and employee benefits	1,360	459	+196.3
Depreciation of property, plant and equipment	1	-	N.M.
Freight and handling charges	2,631	-	N.M.
Operating lease expenses	1,663	-	N.M.
Other expenses	1,813	625	+190.1
Total costs and expenses	221,501	24,027	+821.9
Profit/ (Loss) from operating activities	1,247	(68)	N.M.
Finance costs	(458)	(35)	+1208.6
Profit/(Loss) before taxation	789	(103)	N.M.
Tax expense	(269)	-	N.M.
Gain/(Loss) for the period from continuing operations	520	(103)	N.M.
Discontinued operations			
(Loss)/Gain for the period from discontinued operations	(283)	73	N.M.
Gain/(Loss) for the period	237	(30)	N.M.
Other comprehensive gain			
Foreign currency translation differences – foreign operation	578	379	+52.5
Other comprehensive loss for the period	-	-	N.M.
Total comprehensive gain/ (loss) for the period	815	349	+133.5

	GROUP		
	Half-year ended 30/06/17	Half-year ended 30/06/16	% Change (+/-)
Gain/(Loss) for the period attributable to:			
Owners of the Company			
Gain/(Loss) from continuing operations, net of tax	531	(320)	N.M.
(Loss)/Gain from discontinuing operations, net of tax	(283)	73	N.M.
	248	(247)	N.M.
Non-controlling interest			
(Loss)/Gain from continuing operations, net of tax	(11)	217	N.M.
Loss from discontinuing operations, net of tax	-	-	N.M.
	237	(30)	N.M.
Total comprehensive gain/(loss) attributable to:			
Owners of the Company			
Gain/(Loss) from continuing operations, net of tax	502	(281)	N.M.
Gain/ (loss) from discontinuing operations, net of tax	324	376	-13.8
	826	95	+769.5
Non-controlling interest			
(Loss)/Gain from continuing operations, net of tax	(11)	254	N.M.
Loss from discontinuing operations, net of tax	-	-	N.M.
	815	349	+133.5
Gain/ (Loss) per share attributable to the Company – in cents Basic			
Gain/ (Loss) from continuing operations, net of tax	0.08	(0.07)	N.M.
(Loss)/ Gain from discontinuing operations, net of tax	(0.04)	0.02	N.M.
	0.04	(0.05)	N.M.
Gain/ (Loss) per share attributable to the Company – in cents Diluted			
Gain/ (Loss) from continuing operations, net of tax	0.04	(0.07)	N.M.
(Loss)/ Gain from discontinuing operations, net of tax	(0.02)	0.02	N.M.
	0.02	(0.05)	N.M.

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

Notes to statement of comprehensive income

Other income for the period is arrived after crediting the following:

	Half-year ended 30/06/17	Half-year ended 30/06/16
	US\$'000	US\$'000
Continuing operations		
Investment income	35	-
Discontinued operations		
Government grants	1	62
Gain on disposal of property, plant and equipment	-	489
Reversal of allowance for doubtful debts	-	103
Reversal of write-down in inventories	-	89

Profit / (loss) for the period is arrived at after charging the following:

	Half-year ended 30/06/17	Half-year ended 30/06/16
	US\$'000	US\$'000
Continuing operations		
Interest expense	(458)	(35)
Foreign exchange loss, net	(135)	-
Discontinued operations		
Foreign exchange loss, net	-	(98)
Interest expense	-	(218)

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

	GROUP		COMPANY	
	30/06/17	31/12/16	30/06/17	31/12/16
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	54	42	-	-
Investments in subsidiaries	-	-	7,243	7,243
Deferred tax assets	-	2	-	-
	54	44	7,243	7,243
Current assets				
Inventories	26,836	8,810	-	-
Trade receivables	14,993	7,226	-	-
Other receivables and deposits	1,706	249	84	78
Prepayments	4,286	9,012	5	15
Amounts due from related corporations	-	-	4,852	2,855
Financial assets at fair value through profit or loss	145	111	-	-
Available for sale financial assets	738	648	-	-
Cash and bank balances	2,462	856	151	57
	51,166	26,912	5,092	3,005
Assets directly associated with discontinued operations	14,322	14,244	14,322	14,244
Total assets	65,542	41,200	26,657	24,492
Current liabilities				
Trade payables	30,128	10,827	-	-
Other payables and accruals	1,390	1,932	204	785
Advances from customers	955	2,907	-	-
Amounts due to directors	3,440	3,052	-	3,052
Finance lease liabilities	9	9	-	-
Income tax liabilities	207	192	-	-
	36,129	18,919	204	3,837
Long-term liabilities				
Bonds payable	2,822	-	2,822	-
Finance lease Liabilities	3	3	-	-
	2,825	3	2,822	-

	GROUP		COMPANY	
	30/06/17	31/12/16	30/06/17	31/12/16
	US\$'000	US\$'000	US\$'000	US\$'000
Liabilities directly associated with discontinued operations	2,039	3,375	1,981	3,318
Net assets	24,549	18,903	21,650	17,337
Equity				
Share capital	33,246	33,246	33,246	33,246
Other equity instruments	4,831	-	4,831	-
Translation reserve	(1,273)	(1,851)	(1,317)	(1,784)
Assets revaluation reserve	9,909	9,909	9,909	9,909
Accumulated losses	(22,167)	(22,415)	(25,019)	(24,034)
Attributable to owner of the Company	24,546	18,889	21,650	17,337
Non-controlling interest	3	14	-	-
Total equity	24,549	18,903	21,650	17,337

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/17		As at 31/12/16	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
9	3,440*	9	4,138*

Amount repayable after one year

As at 30/06/17		As at 31/12/16	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3	-	3	-

*The unsecured amount relates to loans owing to directors.

Details of any collaterals

US\$12,000 of hire purchase financing was secured by a charge over the respective asset.

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

	Half-year ended 30/06/17	Half-year ended 30/06/16
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before taxation	506	(30)
Adjustments:		
Depreciation of property, plant and equipment	1	-
Interest expense	458	253
Gain on disposal of property, plant and equipment	-	(489)
Operating cashflow before working capital changes	965	(266)
Change in trade and other receivables and deposits	(9,055)	(8,183)
Change in prepayments	4,726	(2,545)
Change in inventories	(17,815)	315
Change in trade and other payables and accruals	18,378	3,977
Change in advances from customers	(1,953)	
Cash used in operations	(4,754)	(6,702)
Interest paid	(60)	(253)
Tax paid	(254)	-
Net cash used in operating activities	(5,068)	(6,955)
Cash flows from investing activities		
Purchase of property, plant and equipment	(12)	(174)
Proceeds from disposal of property, plant and equipment	-	1,570
Investment in financial assets at fair value through profit or loss	(35)	-
Investment in available for sale financial assets	(90)	-
Net cash (used in) / generated from investing activities	(137)	1,396
Cash flows from financing activities		
Net proceeds from / (repayment) of loans and borrowings	74	(1,719)
Proceeds from issuance of bonds with warrants	7,171	-
Repayment of finance lease liabilities	-	(8)
(Net repayment of)/ Net proceeds from amounts due to directors	(697)	3,634
Proceed from non-controlling interest	-	43
Net cash generated from / (used in) financing activities	6,548	1,950
Net increase/ (decrease) in cash and cash equivalents	1,343	(3,609)
Effect of changes in currency translation	263	(326)
Cash and cash equivalents at beginning of financial period	856	6,703
Cash and cash equivalents at end of financial period*	2,462	2,768

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

Operating cash (outflows)/ inflows	(230)	1,092
Investing cash outflows	(455)	(1,728)
Financing cash inflows/(outflows)	(1,012)	405
Total cash outflows	(1,697)	1,325

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

Group	Share Capital	Other Equity Instruments	Foreign Currency Translation Reserve	Assets Revaluation Reserve	Accumulated Losses	Equity Attributable to Owner of the Company	Non-controlling interest	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2016	19,284	8,704	(2,197)	9,909	(23,295)	12,405	4,138	16,543
Total comprehensive loss for the period	-	-	342	-	(247)	95	254	349
Proceed from non-controlling interest	-	-	-	-	-	-	43	43
Conversion of convertible bonds	8,089	(8,704)	615	-	-	-	-	-
Balance at 30 June 2016	27,374	-	(1,240)	9,909	(23,542)	12,500	4,435	16,935
Balance at 1 January 2017	33,246	-	(1,851)	9,909	(22,415)	18,889	14	18,903
Total comprehensive gain/(loss) for the period	-	-	578	-	248	826	(11)	815
Issuance of warrants	-	4,831	-	-	-	4,831	-	4,831
Balance at 30 June 2017	33,246	4,831	(1,273)	9,909	(22,167)	24,546	3	24,549
Company	Share Capital	Other Equity Instruments	Foreign Currency Translation Reserve	Assets Revaluation Reserve	Accumulated Losses	Total Equity		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
Balance at 1 January 2016	19,284	8,704	(2,155)	9,909	(24,174)	11,568		
Total comprehensive gain/(loss) for the period	-	-	374	-	(81)	293		
Conversion of convertible bonds	8,089	(8,704)	615	-	-	-		
Balance at 30 June 2016	27,373	-	(1,166)	9,909	(24,255)	11,861		
Balance at 1 January 2017	33,246	-	(1,796)	9,909	(24,022)	17,337		
Total comprehensive loss for the period	-	-	479	-	(997)	(518)		
Issuance of warrants	-	4,831	-	-	-	4,831		
Balance at 30 June 2017	33,246	4,831	(1,317)	9,909	(25,019)	21,650		

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

Subscription Agreement

Pursuant to a subscription agreement dated 8 May 2014 (the "**Subscription Agreement**") entered into between the Company and each of Mr Shi Jiangang and Mr Sam Kok Yin (the "**Subscribers**"), the Company:

- (a) issued to the Subscribers non-transferrable convertible bonds due 24 March 2016 in an 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**") at an exercise price of S\$0.05 per Conversion Share; and
- (b) granted to the Subscribers an option (the "**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 (the "**Option Shares**") at the price of S\$0.05 per Option Share.

On 10 December 2014, pursuant to the Subscription Agreement under which Mr Sam Kok Yin exercised his right to convert a principal amount of S\$3,000,000 in Convertible Bonds into Conversion Shares, the Company issued and allotted 60,000,000 Conversion Shares to Mr Sam Kok Yin.

On 24 March 2016, pursuant to the Subscription Agreement, the Company issued and allotted 220,000,000 ordinary shares at the price of S\$0.05 each in the capital of the Company, following the automatic conversion of S\$11,000,000 outstanding Convertible Bonds due 2016.

Further details of the Subscription Agreement are set out in the Company's announcement dated 8 May 2014.

JV Agreement

On 1 June 2015, the Company entered into a joint venture agreement (the "**JV Agreement**") with Mr Jiang Hao in relation to a new joint venture company, Orient-Salt Chemicals Pte. Ltd. ("**OSC Singapore**"). Under the JV Agreement, the parties agreed to grant to each other put and call options in relation to an aggregate of 69,176,472 new shares in the capital of the Company (the "**JV Put and Call Options**"). On 17 June 2016, the Company announced that it had entered into an agreement to purchase the remaining 49% (the "**Sale Shares**") in OSC Singapore from Mr Jiang Hao (the "**Acquisition**"). The consideration for the Sale Shares shall be satisfied on completion of the Acquisition by the issue and allotment to Mr Jiang Hao (and/or such other parties as he may nominate) of an aggregate of 117,600,000 new shares in the Company (the "**Consideration Shares**") at an issue price of S\$0.05 per Consideration Share. The Acquisition was completed and the Consideration Shares were issued to Mr Jiang Hao on 30 December 2016, thereby, terminating the JV agreement and the JV Put and Call Options.

Further details of the JV Agreement, the Acquisition, and the completion of the Acquisition are set out in the Company's announcements dated 2 June 2015, 17 June 2016, and 30 December 2016 respectively.

Compliance Placement

On 17 June 2016, in addition to the Acquisition, the Company also announced a placement of 57,150,000 new ordinary shares (the "**Placement Shares**") at the issue price of S\$0.07 per Placement Share (the "**Compliance Placement**"). Completion had taken place and the Placement Shares were issued on 19 July 2016.

Summary of Outstanding Convertibles

As at 30 June 2017, the total number of issued shares in the Company is 642,750,000 shares (30 June 2016: 468,000,000 shares). The additional number of shares that may be issued on conversion/exercise of all the outstanding convertibles (As the JV Put and Call Options under the JV Agreement had terminated following the termination of the JV Agreement on 30 December 2016, the convertibles only comprise the Call Option under the Subscription Agreement and the free detachable European warrants allotted on 31 January 2017. Please refer to below paragraph for details of the free detachable European warrants) is 852,750,000 shares (30 June 2016: 279,176,472 shares). There were no treasury shares held as at 30 June 2017 and 30 June 2016.

On 17 June 2016, in addition to the Acquisition and Compliance Placement, the Company also announced a rights issue of up to S\$12,855,000 in principal amount (the "**Principal Amount**") of zero coupon bonds (the "**Bonds**") with principal amount of S\$0.02 for each 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 S\$0.02 each with one free Warrant for every existing share in the capital of the Company (the "**Rights Issue**"). The issue price of the Bonds was 80 per cent. of the Principal Amount. The 642,750,000 Bonds and 642,750,000 Warrants had been allotted and issued on 31 January 2017.

Please refer to the Company's announcements of 17 June 2016, 13 November 2016, 22 December 2016, 31 January 2017, as well as the Offer Information Statement dated 5 January 2017 in relation to the Rights Issue for more details.

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

	Group	
	As at 30/06/17	As at 31/12/16
Issued Ordinary Shares	642,750,000	642,750,000

The Company does not have any treasury shares as at 30/06/17 and 31/12/16.

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial period ended 31 December 2016 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2017.

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

Please refer to note 4.

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

	GROUP	
	Period ended 30/06/17	Period ended 30/06/16
Gain / (Loss) per ordinary share for the period attributable to shareholders:		
Basic		
Gain/ (Loss) from continuing operations, net of tax (US cents)	0.08 cents	(0.07) cents
(Loss)/ Gain from discontinued operations, net of tax (US cents)	(0.04) cents	0.02 cents
Based on weighted average number of issued shares of the Company	642,750,000 ⁽²⁾	468,000,000 ⁽¹⁾
Diluted		
Gain/ (Loss) from continuing operations, net of tax (US cents)	0.04 cents	(0.07) cents
(Loss) / Gain from discontinued operations, net of tax (US cents)	(0.02) cents	0.02 cents
Based on weighted average number of issued shares of the Company	1,495,500,000 ⁽²⁾	468,000,000 ⁽¹⁾

Note:

(1) These figures assume the full conversion of the outstanding Convertible Bonds under the Subscription Agreement. The 210,000,000 ordinary shares in the capital of the Company which may be issued from the call option under the Subscription Agreement and the 69,176,472 ordinary shares in the capital of the Company which may be issued pursuant to the JV Put and Call options under the JV Agreement have been excluded from the calculation of diluted loss per share for the period ended 30 June 2016 as the Group incurred losses.

(2) The 642,750,000 free detachable European Warrants which had been allotted and issued on 31 January 2017 pursuant to the Rights Issue and the 210,000,000 ordinary shares which may be issued pursuant to the Call Option (under the Subscription Agreement) had been included in the calculation of diluted gain/(loss) per share for the period ended 30 June 2017.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 30/06/17	As at 31/12/16	As at 30/06/17	As at 31/12/16
Net asset value per ordinary share (US cents)	3.82 cents	2.94 cents	3.37 cents	2.70 cents
Based on number of issued shares of the Company	642,750,000	642,750,000	642,750,000	642,750,000

Note: The net asset value per ordinary share as at 30/06/17 and 31/12/16 is derived after including the 60,000,000 ordinary shares in the capital of the Company issued to Mr Sam Kok Yin on 10 December 2014, the aggregate 220,000,000 ordinary shares in the capital of the Company issued to Mr Sam Kok Yin and Mr Shi Jiangang on 24 March 2016 pursuant to the Subscription Agreement, the 57,150,000 ordinary shares in the capital of the Company issued to private investors pursuant to the Compliance Placement, and the 117,600,000 new shares in the capital of the Company issued to Mr Jiang Hao pursuant to the Acquisition, but without taking into account the additional shares that may be issued upon exercise of the Call Option under the Subscription Agreement and the additional shares that may be issued upon exercise of the European warrants issued under the Rights Issue.

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

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

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.

FY2016 was a transitional year for the Group's chemical trading business. As such, revenues and costs and expenses for FH2017 were much higher as compared to FH2016. 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\$223 million of revenue and a corresponding US\$214 million of cost of goods sold for FH2017. Salaries and employees benefits of US\$1.4 million were incurred due to an increase in headcount as OSC Shanghai commenced operations in September 2016. Freight and handling charges of US\$2.6 million, operating lease expenses of US\$1.7 million, and other expenses of US\$1.8 million were also incurred during FH2017. Other expenses include commission expenses, entertainment expenses, travelling expenses, and legal and professional fees. A provision for taxation and tax expenses was recorded as the chemical trading business made profits for FH2017. Other income of US\$0.06 million, mainly relating to investment income derived by the Group, was also recorded for FH2017. As a result, the Group recorded a profit after tax from continuing operations of US\$0.5 million for FH2017.

Loss from discontinued operations of US\$0.3 million was recorded for FH2017 as compared to the small gain recognised in FH2016. This is mainly due to a gain on disposal of property, plant and equipment recorded in FH2016.

Finance costs increased by US\$0.4 million due to a non-cash interest expense recorded in relation to the Group's rights issue of S\$12,855,000 in principal amount of zero coupon bonds with principal amount of S\$0.02 for each 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 S\$0.02 each with one free Warrant for every existing share in the capital of the Company (the "**Rights Issue**"). The issue price of the Bonds comprised 80 per cent of the Principal Amount. Following the allotment and issuance of 642,750,000 Bonds with Warrants on 31 January 2017, US\$2.8 million of bonds payable (classified as long term liabilities) and US\$4.8 million of warrants (classified as other equity instruments) were recorded by the Group. As the Bonds were issued at a discount, a non-cash interest expenses of US\$0.4 million were recorded during FH2017.

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.

For FH2017, cash used in operations was US\$4.8 million as the Group purchased more inventories. Net cash generated from financing activities was US\$6.5 million, due mainly to proceeds from the Rights Issue. As a result, cash balance of the Group increased.

During FH2017, the Group purchased US\$0.01 million of property, plant and equipment for its office in Shanghai. In line with the growth of the Group's chemical trading business, inventories, trade receivables, other receivables and deposits, and trade payables increased. Prepayments relating to payments made to suppliers for the procurement of goods and advances from customers decreased as a result of the Group's increased usage of trade facilities granted by financial institutions. Other payables and accruals and liabilities directly associated with discontinued operations decreased mainly due to repayments made during FH2017.

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

The Group's performance for 1H2017 was consistent with the announcement made on 28 February 2017 in respect of the financial year ended 31 December 2016.

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

Chemical Business

The Group's chemical trading business, conducted via our subsidiary, OSC Singapore, and its subsidiaries in the People's Republic of China and Japan (collectively the "OSC Group"), performed well in FH2017. Revenue surged to US\$223 million, with profit after tax of US\$1.3 million.

As at 30 June 2017, the OSC Group has access to approximately US\$28.6 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 more 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.

Investment Business

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. As at 30 June 2017, this portfolio consisting of cash and listed equities amounted to US\$0.2 million.

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

Printing Business

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 FY2017 will be insignificant as compared to our other business segments.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the half year ended 30 June 2017.

13. General mandate for interested person transactions

The Group obtained the approval from shareholders on the renewal of the interested person transactions mandate pursuant to Rule 920 during the annual general meeting of the Company held on 26 April 2017.

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	FH 2017	FH 2017
	S\$'000	S\$'000
Kellin Chemicals (Zhangjiagang) co., ltd -Sales and purchases of chemicals	-	14,932
Jiangsu Feymer Technology Co., Ltd -Sales of chemicals	-	429
Jiangsu Fopia Chemicals Co., Ltd -Sales of chemicals	-	1

14. Use of proceeds from the Convertible Bonds, Placement Shares, and the Rights Issue

The Company has fully utilised all proceeds as stated in the Company's full year results announcement dated 28 February 2017.

15 Confirmation pursuant to Rule 720(1) of the Catalist Rules

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

16. Negative Assurance Confirmation

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 30 June 2017 to be false or misleading in any material aspect.

On Behalf of the Board of Directors,

Shi Jiangang
Chairman

Sam Kok Yin
Managing Director

BY ORDER OF THE BOARD

Sam Kok Yin
Managing Director
14 August 2017

Note:

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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