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

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2019 ("FY2019")

*"**FY2018**" refers to the period ended 31 December 2018.*

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		
	FY 2019	**FY 2018**	**+/(-) %**
	US$'000	**US$'000**	
Revenues			
Sale of goods	360,261	413,402	-12.9
Provision of print and paper management services	213	-	N.M.
Other operating income	490	182	N.M.
Total revenue	**360,964**	**413,584**	**-12.7**
Costs and expenses			
Change in inventories of finished goods and good in transit	344,408	398,006	-13.5
Amortisation of right-of-use assets	152	-	N.M.
Depreciation of property, plant and equipment	494	454	+8.8
Employee benefits expense	2,928	3,018	-3.0
Freight and handling charges	9,610	7,339	+30.9
Operating lease expenses	2,004	1,430	+40.1
Other expenses	2,692	2,873	-6.3
Total costs and expenses	**362,288**	**413,120**	**-12.3**
(Loss)/ Profit from operating activities	**(1,324)**	**464**	**N.M.**
Finance costs	(1,263)	(1,042)	+21.2
Loss before taxation	**(2,587)**	**(578)**	**N.M.**
Tax credit/ (expense)	95	(168)	N.M.
Loss for the year	**(2,492)**	**(746)**	**N.M.**

	GROUP		
	FY 2019	**FY 2018**	**+/(-) %**
	US$'000	**US$'000**	
Other comprehensive (loss)/ income after tax			
Items that will not be subsequently reclassified to profit or loss			
Revaluation (deficit)/ surplus on leasehold land and building	(113)	363	N.M.
Financial asset at fair value through other comprehensive income Fair value gain – equity investment	773	-	N.M.
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation differences – foreign operation	(94)	(347)	-72.9
Other comprehensive income for the year, net of tax	**566**	**16**	**N.M**
Total comprehensive loss for the year	**(1,926)**	**(730)**	**69.3**
Loss for the year attributable to:			
Owners of the parent	(2,484)	(743)	N.M.
Non-controlling interest	(8)	(3)	N.M.
Loss for the year	**(2,492)**	**(746)**	**N.M.**
Total comprehensive loss attributable to:			
Owners of the parent	(1,918)	(727)	N.M.
Non-controlling interest	(8)	(3)	N.M.
Total comprehensive loss for the year	**(1,926)**	**(730)**	**N.M.**
Loss per share attributable to owners of the Company - in cents Basic			
- Basic and diluted (cents)	(0.39)	(0.12)	N.M.

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

Notes to statement of comprehensive income

Other operating income for the period is arrived after crediting/ (charging) the following:

	FY 2019	FY 2018
	US$'000	**US$'000**
Bad debt recovered	22	-
Compensation from a supplier for cancellation of contract	-	40
Dividend income from financial assets at fair value through profit or loss	3	3
Fair value gain/(loss) from derivative asset at fair value through profit or loss	93	(5)
Fair value gain from derivative liability at fair value through profit or loss	225	42
Fair value loss from financial assets at fair value through profit or loss	(10)	(38)
Gain on disposal of financial assets at fair value through profit or loss	8	-
Gain on disposal of paper inventory	12	33
Interest income	41	20
Rental income	37	37
Reversal of expected credit loss allowance for trade and other receivables	17	-
Realised gain from futures contract	15	-

Loss for the period is arrived at after crediting/ (charging) the following:

	FY2019	FY2018
	US$'000	**US$'000**
Amortisation of right-of-use assets	(152)	-
Depreciation of property, plant and equipment	(494)	(454)
Exchange loss, net	(207)	(559)
Expected loss allowance for trade receivables	-	1
Interest expense	(1,263)	(1,042)
Reversal/ (Write-down) of inventories, net	4	(218)

Adjustment for under/overprovision of tax in respect of prior years:

	FY2019	FY2018
	US$'000	**US$'000**
Current tax expenses - (Over) / Under provision in respect of prior years	(37)	-

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

Included in interest expense is a non-cash interest expense on zero coupon bonds of US$1.1 million (FY2018: US$930,000), a non-cash interest expense on an interest free loan from a director of US$ 28,000 (FY2018: US$20,000) and lease liabilities interest expense arising from the adoption of SFRS(I) 16 *Leases* of US$79,000 in FY2019 (FY2018: N.A.).

During the last financial year, the write-down of inventories was provided for chemicals products as the net realisable value as at 31 December 2018 was lower than the cost prices. A reversal of US$4,000 was recorded during the current financial year due to the inventories being sold above the carrying amounts in FY2019.

N.A. denotes "not applicable"

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

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	US$'000	US$'000	US$'000	US$'000
Non-current assets				
Investments in subsidiaries	-	-	7,515	7,869
Financial assets at fair value through other comprehensive income	3,984	-	-	-
Property, plant and equipment	14,105	13,721	13,372	13,574
Right-of-use assets	2,150	-	2,000	-
Deferred tax assets	75	171	-	-
	20,314	**13,892**	**22,887**	**21,443**
Current assets				
Inventories	17,254	12,685	-	8
Trade receivables	15,572	12,158	-	-
Other receivables and deposits	795	603	30	61
Advances and prepayments	6,167	7,668	17	15
Amounts due from related corporations	-	-	3,262	3,659
Financial assets at fair value through profit or loss	141	189	-	-
Derivative asset	228	134	228	134
Cash and bank balances	5,620	8,338	174	513
	45,777	**41,775**	**3,711**	**4,390**
Total assets	**66,091**	**55,667**	**26,598**	**25,833**
Current liabilities				
Trade payables	27,304	16,796	51	57
Other payables and accruals	1,750	1,351	258	330
Advances from customers	5,150	7,008	-	-
Finance lease liabilities	-	3	-	-
Bank loan	184	-	-	-
Lease liabilities	131	-	52	-
Derivative liability	2	230	2	230
Income tax liabilities	53	343	-	-
	34,574	**25,731**	**363**	**617**
Non-current liabilities				
Interest-free loan from a director	297	269	297	269
Bond payables	8,208	7,044	8,208	7,044
Finance lease liabilities	-	3	-	-
Lease liabilities	2,117	-	2,030	-
Provisions	11	11	11	11
Deferred tax liabilities	2,086	1,891	1,892	1,891
	12,719	**9,218**	**12,438**	**9,215**
Net assets	**18,798**	**20,718**	**13,797**	**16,001**

	Group		Company	
	31 December 2019	**31 December 2018**	**31 December 2019**	**31 December 2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Equity				
Share capital	33,246	33,246	33,246	33,246
Other equity instruments	2,011	2,011	2,011	2,011
Translation reserve	(1,300)	(1,206)	(1,196)	(1,272)
Assets revaluation reserve	10,258	10,371	10,258	10,371
Fair value reserve	773	-	-	-
Discount paid on acquisition of non-controlling interests	1,386	1,386	-	-
Accumulated losses	(27,590)	(25,106)	(30,522)	(28,355)
Attributable to owners of the Company	**18,784**	**20,702**	**13,797**	**16,001**
Non-controlling interest	14	16	-	-
Total equity	**18,798**	**20,718**	**13,797**	**16,001**

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

Amount repayable in one year or less, or on demand

	As at 31 December 2019		As at 31 December 2018	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Finance lease liabilities	-	-	3	-
Lease liabilities (excluding lease liabilities arising from the recognition of Right-of-use assets following the adoption of SFRS(I) 16 *Leases*)	3	-	-	-

Amount repayable after one year

	As at 31 December 2019		As at 31 December 2018	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Finance lease liabilities	-	-	3	-
Lease liabilities (excluding lease liabilities arising from the recognition of Right-of-use assets following the adoption of SFRS(I) 16 *Leases*)	12	-	-	-
Interest-free loan from a director	-	297 (1)	-	269 (1)
Bond payables	-	8,208 (2)	-	7,044 (2)
Bank loan	184	-	-	-

Notes:

(1) The interest-free loan from a director pursuant to the Put and Call Option Agreement (the "**PCOA**") entered on 14 March 2018 is repayable on 13 March 2022 and provides the director with the option (the "**Call Option**") to convert the loan into 40% equity interest in the shares of the subsidiary, Zhangjiagang Orient-hill Microorgranisms Technology Co. Ltd (the "40% Subsidiary Shares"), held by the Company at any time between 13 March 2019 to 13 March 2022. In addition, under the PCOA, the put option granted by the Company provides that the director has the right to require the Company to put the 40% Subsidiary Shares to the director over the same period as the Call Option subject to the terms and conditions of the PCOA (the "**Put Option**").

(2) The book value of the Bonds (defined below) issued on 31 January 2017 pursuant to the 2017 Rights Issue (as defined below). The maximum redemption amount at maturity date, 30 January 2021, is S$12,855,000.

Details of any collaterals

As at 31 December 2019 and 31 December 2018, US$15,000 and US$6,000 respectively of hire purchase obligation was secured by a charge over the respective asset.

A subsidiary has pledged its fixed deposit of US$204,000 (31 December 2018: US$Nil) to a financial institution for a bank loan granted to its wholly-owned Japan based subsidiary.

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

	FY2019	FY2018
	US$'000	**US$'000**
Cash flows from Operating Activities		
Loss before taxation	(2,587)	(578)
Adjustments:		
Amortisation and depreciation	646	454
Dividend income from financial assets at fair value through profit or loss	(3)	(3)
Fair value gain/(loss) from derivative asset at fair value through profit or loss	(93)	5
Fair value gain from derivative liability at fair value through profit or loss	(225)	(42)
Fair value loss on financial assets at fair value through profit or loss	10	38
Gain on disposal of financial assets at fair value through profit or loss	(8)	-
Interest income	(41)	(20)
Interest expense	1,263	1,042
Reversal of impairment loss on receivables	(17)	-
(Reversal)/Write-down of inventories, net	(4)	218
Foreign currency translation differences	(162)	-
Operating cashflow before working capital changes	**(1,221)**	**1,114**
Change in inventories	(4,565)	(4,163)
Change in trade and other receivables and deposits	(3,589)	15,146
Change in advances and prepayments	1,501	40
Change in trade and other payables and accruals	10,907	(13,054)
Change in advances from customers	(1,858)	1,631
Cash generated from operations	**1,175**	**714**
Interest income received	41	20
Interest paid	(57)	(72)
Tax paid	(101)	(291)
Net cash generated from operating activities	**1,058**	**371**
Cash flows from Investing Activities		
Purchase of financial assets at fair value through other comprehensive income	(3,003)	-
Purchase of property, plant and equipment [(1)]	(937)	(115)
Purchase of financial assets at fair value through profit or loss [(2)]	-	(127)
Proceeds from disposal of financial assets at fair value through profit and loss	51	125
Dividend income received from financial assets at fair value through profit and loss	-	1
Fixed deposits pledged	-	5
Net cash used in investing activities	**(3,889)**	**(111)**

Notes:

(1) In 2019, the addition of US$13,000 out of the total purchase were acquired under hire purchase arrangements. Net cash purchase of property, plant and equipment was US$937,000.

(2) In 2018, the addition of US$2,000 out of the total purchase was in the form of scrip dividend. Net cash purchase of financial asset at fair value through profit or loss was US$127,000.

	FY2019	FY2018
	US$'000	**US$'000**
Cash flows from Financing Activities		
Capital contribution from non-controlling interest	6	15
Government grant received	106	-
Interest-free loan from a director	-	382
Net repayments to directors	-	(1,037)
Proceeds from trade receivables factoring	-	5
Proceeds from bank loan	184	-
Repayment of finance lease liabilities	-	(4)
Repayment of principal portion of lease liabilities	(155)	-
Interest paid	(41)	(20)
Fixed deposits pledged	(211)	-
Net cash used in financing activities	**(111)**	**(659)**
Net decrease in cash and cash equivalents	(2,942)	(399)
Effect of changes in currency translation	13	(186)
Cash and cash equivalents at beginning of financial year	7,966	8,551
Cash and cash equivalents at end of financial year	**5,037**	**7,966**

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

	FY2019	FY2018
	US$'000	**US$'000**
Cash and cash equivalents as at above	5,037	7,966
Add: Fixed deposits pledged	583	372
Cash and bank balances as per statement of financial position	**5,620**	**8,338**

Reconciliation of liabilities arising from financing activities

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

	At 1 January 2019	Cash flows		Non-cash changes		At 31 December 2019
		Proceeds	**Repayment**	**Currency translation differences**	**Non-cash adjustments**	
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Interest free loan from a director	269	-	-	-	28 [a]	297
Bank loan	-	184	-	-	-	184
Bond payables	7,044			106	1,058 [b]	8,208
Lease liabilities	6	-	(155)	-	79 [c] 2,318 [d]	2,248

Notes:

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

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

	Equity attributable to owner of the Company									
Group	**Share capital**	**Other equity instruments**	**Translation reserve**	**Assets revaluation reserve**	**Fair value reserve**	**Accumulated losses**	**Discount paid on acquisition of non-controlling interests**	**Total**	**Non-controlling interest**	**Total equity**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance at 1 January 2018 as previously reported	**33,246**	**4,831**	**(681)**	**10,008**	**-**	**(24,510)**	**1,386**	**24,280**	**4**	**24,284**
Prior year adjustment	-	(2,820)	(178)	-	-	147	-	(2,851)	-	(2,851)
Restated balance as at 1 January 2018	**33,246**	**2,011**	**(859)**	**10,008**	**-**	**(24,363)**	**1,386**	**21,429**	**4**	**21,433**
Total comprehensive loss for the year	-	-	(347)	363	-	(743)	-	(727)	(3)	(730)
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	15	15
Balance at 31 December 2018	**33,246**	**2,011**	**(1,206)**	**10,371**	**-**	**(25,106)**	**1,386**	**20,702**	**16**	**20,718**
Total comprehensive loss for the year	-	-	(94)	(113)	773	(2,484)	-	(1,918)	(8)	(1,926)
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	6	6
Balance at 31 December 2019	**33,246**	**2,011**	**(1,300)**	**10,258**	**773**	**(27,590)**	**1,386**	**18,784**	**14**	**18,798**

Company	Share Capital	Other equity instruments	Translation reserve	Assets revaluation reserve	Accumulated losses	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2018 as previously reported	**33,246**	**4,831**	**(906)**	**10,008**	**(26,486)**	**20,693**
Prior year adjustment	-	(2,820)	(178)	-	147	(2,851)
Restated balance as at 1 January 2018	**33,246**	**2,011**	**(1,084)**	**10,008**	**(26,339)**	**17,842**
Total comprehensive loss for the year	-	-	(188)	363	(2,016)	(1,841)
Balance at 31 December 2018	**33,246**	**2,011**	**(1,272)**	**10,371**	**(28,355)**	**16,001**
Total comprehensive loss for the year	-	-	76	(113)	(2,167)	(2,204)
Balance at 31 December 2019	**33,246**	**2,011**	**(1,196)**	**10,258**	**(30,522)**	**13,797**

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

Summary of Outstanding Convertibles

There have not been any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. As at 31 December 2019, the total number of issued shares in the Company is 642,750,000 shares (31 December 2018: 642,750,000 shares). The number of shares that may be issued on conversion/exercise of all the outstanding convertibles (comprising the Warrants (as defined below) allotted and issued pursuant to the 2017 Rights Issue (as defined below)) is 642,750,000 shares.

There were no treasury shares or subsidiary holdings held as at the end of financial periods ended 31 December 2019 and 31 December 2018.

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

	Group	
	As at 31 December 2019	**As at 31 December 2018**
Total number of issued ordinary shares	642,750,000	642,750,000

The Company does not have any treasury shares as at 31 December 2019 and 31 December 2018.

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

Not applicable.

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

Except as disclosed in Note 5, the Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2018.

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

The following are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant to the Group's accounting periods beginning on or after 1 January 2019:

- SFRS(I) 16 *Leases*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- SFRS(I) INT 23 *Uncertainty Over Income Tax Treatments*
- SFRS(I) 1-19 *Plan Amendment: Curtailment or Settlement*
- SFRS(I) 3 *Amendments to SFRS(I) 3: Definition of a Business*
- SFRS(I) 1-1, SFRS(I) 1-8 *Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material*

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

SFRS(I) 16 *Leases*
SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. This will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors did not change significantly.

The Group applied the standard from 1 January 2019, using the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use ("**ROU**") assets for property leases are measured on transition as if the new rules had always been applied. All other ROU assets are measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). For lease contracts that contain the option to renew, the Group used hindsight in determining the lease term.

The Group recognised ROU assets of US$146,000 on 1 January 2019 and corresponding lease liabilities of US$146,000. The amortisation of the ROU assets and interest on the lease liabilities for the year ended 31 December 2019 was US$152,000 and US$79,000 respectively. Operating cashflows increase and financing cashflows decrease by US$151,000 as repayment of the principal portion of the lease liabilities has been classified as cash flows from financing activities liabilities for the year ended 31 December 2019.

The Group has renewed the leasehold land for another 30 years upon the expiry of the existing lease in September 2019. The Group has further recognised ROU assets of approximately US$1.9 million and corresponding lease liabilities of US$1.9 million in respect of the leasehold land.

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

	GROUP	
	Year ended 31 December 2019	**Year ended 31 December 2018**
Loss per share attributable to equity holders of the Company – in cents:		
Basic and diluted Loss from operations	(0.39) cents	(0.12) cents
Based on weighted average number of issued shares of the Company	642,750,000	642,750,000

Note:

(1) On 17 June 2016, the Company announced its intention to undertake a renounceable non-underwritten rights issue (the "**2017 Rights Issue**") of up to S$12,855,000 in principal amount of zero coupon bonds due 2021 ("**Bond**"), with principal amount of S$0.02 for each Bond, at an issue price of S$0.016 for each Bond, with up to 642,750,000 free detachable European warrants ("**Warrants**"), each Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.02 for each new share, on the basis of one Bond with one free Warrant for every existing share in the capital of the Company held by the entitled shareholders as at the books closure date. The 642,750,000 Bonds with Warrants which had been allotted and issued on 31 January 2017 pursuant to the 2017 Rights Issue and the 210,000,000 ordinary shares which may be issued pursuant to the call option granted to Shi Jiangang and Sam Kok Yin under the subscription agreement dated 8 May 2014 (the "**Subscription Agreement**") (and which expired and lapsed unexercised on 25 September 2018) (the "**2014 Call Option**") have been excluded from the calculation of diluted loss per share for the period ended 31 December 2019 and 31 December 2018 as it is anti-dilutive.

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

	GROUP		COMPANY	
	As at 31 December 2019	**As at 31 December 2018**	**As at 31 December 2019**	**As at 31 December 2018**
Net asset value per ordinary share (US cents)	3.03	3.22	2.15	2.49
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 31 December 2019 and 31 December 2018 was derived without taking into account the additional shares that may be issued upon exercise of the 2014 Call Option under the Subscription Agreement (which expired and lapsed unexercised on 25 September 2018) and the Warrants issued pursuant to the 2017 Rights Issue.

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

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

Review of the Group's performance

Due to the global economic downturn and a drop in the average selling price of chemical products, the Group's revenue has decreased by US$52.9 million from US$413.4 million in FY2018 to US$360.5 million in FY2019 despite an increase in the sales volume as compared to the previous period. The corresponding cost of goods sold has decreased by US$53.6 million from US$398.0 million in FY2018 to US$344.4 million in FY2019.

Revenue from the provision of print and paper management services consists mainly of the provision of sheeting, slitting, rewinding and storage of paper for third parties in FY2019. The print and paper management activities were carried out by the Group's wholly owned subsidiary, Abundance Resources Pte. Ltd., which became active only in FY2019.

Other operating income increased by US$308,000 from US$182,000 in FY2018 to US$490,000 in FY2019. This was due mainly to the fair value gain from the Put Option (derivative asset) and the Call Option (derivative liability) pursuant to the PCOA signed on 14 March 2018. The fair values of the Put and Call Options have been determined by an independent valuer and the changes in their fair values gain/(loss) of US$93,000 (FY2018: US$(5,000)) and US$225,000 (FY2018: US$42,000) respectively have been recognised in profit or loss for the year ended 31 December 2019.

Employee benefits expenses decreased slightly by US$0.1 million from US$3.0 million in FY2018 to US$2.9 million in FY2019 due mainly to the net effect of annual salary increment, increased headcount and offset by a lower bonus provision in FY2019.

Amortisation of right-of-use assets amounting to US$152,000 (2018: N.A.) was recognised in FY2019 due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 *Leases* as disclosed in paragraph 5.

Depreciation of property, plant and equipment increased slightly by US$40,000 from US$454,000 in FY2018 to US$494,000 in FY2019 due mainly to additions of plant and equipment over the period to support the print and paper management business and the microorganism business.

Freight and handling charges increased by US$2.3 million from US$7.3 million in FY2018 to US$9.6 million in FY2019 due mainly to the increased in the trading volumes and increases in freight rates as compared to the same period last year.

Operating lease expenses increased by US$0.6 million from US$1.4 million in FY2018 to US$2.0 million in FY2019 which were due mainly to increase in storage expenses of more chemicals stock at third party warehouses as compared to the same period last year and classified as short-term leases under SFRS(I) 16.

Other expenses decreased by US$0.2 million from US$2.9 million in FY2018 to US$2.7 million in FY2019, due mainly to (i) lower exchange losses of US$207,000 as compared to US$559,000 in the same period last year, (ii) inventories write-off of US$218,000 in FY2018 as compared to a reversal of inventories allowances of US$4,000 in FY2019, (iii) decrease in bank charges from US$324,000 in FY2018 to US$301,000 in FY2019 due to lower usage of back to back letter of credits and telegraphic transfer charges, and partially offset by (iv) an increase in demurrage charges from US$148,000 in FY2018 to US$337,000 in FY2019, and (v) an increase in insurance expenses of US$43,000 in FY2018 to US$102,000 in FY2019 which was largely due to bank insurance incurred under receivable factoring arrangements.

Finance costs increased by US$0.3 million from US$1.0 million in FY2018 to US$1.3 million in FY2019 were due mainly to (i) increase in the unwinding of discount adjustment arising from the non-cash interest on the Bonds allotted and issued pursuant to the 2017 Rights Issue from US$0.9 million in FY2018 to US$1.1 million in FY2019 and (ii) lease liabilities interest of US$79,000 was recognised due to the adoption of SFRS(I) 16 with effective from 1 Jan 2019.

The income tax credit was due mainly to the tax effect of the utilisation of group relief on loss-making companies.

The foreign currency translation differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The translation differences for the current period arose from changes in foreign currencies, such as the Singapore dollar and Renminbi against the United States dollar upon consolidation of subsidiaries whose functional currency is the Singapore dollar and Renminbi. The strengthening of the Singapore dollar and the weakening of Renminbi against the United States dollar resulted in overall net foreign currency translation loss of US$94,000 for FY2019.

The Group reported a higher net loss of US$2.5 million in FY2019 as compared to a net loss of US$0.7 million in FY2018. This was due mainly to continued pressures on the market demand for chemical products resulting in lower selling prices and lower margins on sales, higher freight cost incurred, increase in amortisation of right-of-use assets, depreciation of property, plant and equipment, warehousing expenses and non-cash interest expense of zero coupon bonds offset by a slight decrease in other expenses.

The Group reported a net loss before interest, taxes, depreciation and amortisation of US$0.7 million in FY2019 as compared to earnings before interest, taxes, depreciation of US$0.9 million in FY2018. This was due mainly to lower margins on sales, higher freight cost and warehousing expenses from our chemical trading business and offset by a slight decrease in other expenses.

Review of statement of financial position

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

Property, plant and equipment increased by US$0.4 million from US$13.7 million as at 31 December 2018 to US$14.1 million as 31 December 2019 which was due mainly to new additions of US$0.9 million offset by depreciation charge for the year, revaluation deficit on leasehold land and building, government grant received relating to the purchase of plant and machinery and currency exchange differences as a result of the strengthening of the Singapore dollar against the United States dollar.

Right-of-use assets were recognised pursuant to the adoption of SFRS(I) 16 with effect from 1 January 2019 as mentioned in Section 5 above.

Inventories increased by US$4.6 million from US$12.7 million as at 31 December 2018 to US$17.3 million as at 31 December 2019 which were due mainly to more inventories being purchased towards the end of the year.

Trade receivables increased by US$3.4 million from US$12.2 million as at 31 December 2018 to US$15.6 million as at 31 December 2019, due mainly to one particular batch of goods of US$3.4 million sold towards the year end whereby the debt was fully collected in January 2020. The debtor turnover days has increased slightly from 11 days as at 31 December 2018 to 17 days as at 31 December 2019.

Advances and prepayments decreased by US$1.5 million from US$7.7 million as at 31 December 2018 to US$6.2 million as at 31 December 2019 which were due mainly to lower advances made to suppliers for the procurement of chemical supplies in respect of our wholly-owned subsidiary, Orient-Salt Chemicals Pte. Ltd.'s ("**OSC**") and its subsidiaries in the People's Republic of China and Japan (collectively the "**OSC Group**")'s chemical trading business.

Cash and bank balances decreased by US$2.7 million from US$8.3 million as at 31 December 2018 to US$5.6 million as at 31 December 2019 due mainly to the investment in SSPM of US$3.0 million during FY2019, purchase of new plant and equipment of US$0.9 million and positive cash generated from operations of US$1.1 million.

Trade payables increased by US$10.5 million from US$16.8 million as at 31 December 2018 to US$27.3 million as at 31 December 2019 due mainly to more goods being purchased towards the end of the year as compared to the same period last year. For OSC itself, total purchases made during the month of December was US$18.0 million in FY2019 as compared to US$10.0 million in FY2018.

Advances from customers relate to the sales of chemical supplies in respect of OSC's chemical trading business which recorded a decrease of US$1.8 million from US$7.0 million as at 31 December 2018 to US$5.2 million as at 31 December 2019.

Lease liabilities were recognised pursuant to the adoption of SFRS(I) 16 with effect from 1 January 2019 as mentioned in Section 5 above.

Bond payables increased by US$1.2 million from US$7.0 million as at 31 December 2018 to US$8.2 million as at 31 December 2019 which were due to the non-cash interest expense recorded during FY2019 and currency exchange differences.

Review of statement of cashflow

Net cash generated from operating activities was US$1.1 million in FY2019 as compared to net cash generated from operating activities of US$0.4 million in FY2018, due mainly to an increase in unpaid amount due to suppliers and lower tax pay-out compared to the same period last year.

Net cash used in investing activities was US$3.9 million in FY2019 as compared to US$0.1 million in FY2018, due mainly to the purchase of new plant and equipment of US$0.9 million (FY2018: US$0.1 million) and an investment in SSPM of US$3.0 million (FY2018: US$Nil) during FY2019.

Net cash used in financing activities was US$111,000 in FY2019 compared to US$659,000 in FY2018. There was no new loan from or repayment to directors in FY2019.

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

Not applicable.

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

Chemical Business

FY2019 saw a significant drop in the average selling price of the chemical products that the Group trades in. In view of the global economic downturn and competitive trading environment, the Group's chemical trading business, conducted via our subsidiary, OSC, and its subsidiaries in the People's Republic of China and Japan (collectively the "**OSC Group**") recorded a loss in FY2019. The OSC Group achieved revenue of US$360.3 million, with a loss after tax of US$0.5 million.

As at 31 December 2019, the OSC Group has access to approximately US$39.2 million of trade facilities granted by banks for the purpose of its chemical trading business. Certain suppliers have also granted us credit terms when we purchase goods from them.

The Company's joint venture company, Zhangjiagang Orient-Hill Microorganisms Technology Co., Ltd (the "**JV Company**") was established on 5 June 2018. It commenced marketing to potential clients during FY2019 and has signed an agreement (the "**Service Contract**") with a waste water treatment plant located in a suburb of the Shanghai Municipality to provide water treatment services and solutions to the client on 13 August 2019. As at 31 December 2019, the JV Company has recorded a revenue of US$15,000.

The Company's wholly-owned subsidiary, Abundance Investments Pte. Ltd., has also completed the acquisition of 18.18% of the enlarged share capital of SSPM in FY2019. SSPM was incorporated in the People's Republic of China and specialises in the production of specialty chemicals used mainly for the construction industry, such as concrete admixtures, mortar admixtures, gypsum water reducing agents, floor care products and geotechnical engineering additives.

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

As our chemical businesses are conducted mainly from the People's Republic of China and we deal with many China-based customers and suppliers, we will to a certain extent, be affected by major events in China such as the current COVID-19 outbreak if it becomes prolonged. We are monitoring the situation closely and have taken steps to safeguard the well-being of our China staff.

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., which was incorporated on 1 September 2016. As at 31 December 2019, this portfolio (excluding the 18.18% equity interest in SSPM) consisting of cash and listed equities, amounted to US$0.19 million.

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

Print and Paper Management Business

As previously announced, the Group has ceased printing internally. The Group has since been exploring ways to adjust our business model moving forward. In June 2019, the Group started slitting and rewinding of paper rolls and in October 2019, we started providing sheeting services. Today, we are able to provide a comprehensive suite of paper management services to our clients which are mostly based in Singapore.

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) Record date

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 31 December 2019 in view of the Group's loss for the year.

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

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

Business segment

	Chemicals		Printing Related		Investment		Total	
	FY2019	**FY2018**	**FY2019**	**FY2018**	**FY2019**	**FY2018**	**FY2019**	**FY2018**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
External sales	360,261	413,402	213	-	-	-	360,474	413,402
Segment revenues	**360,261**	**413,402**	**213**	**-**	**-**	**-**	**360,474**	**413,402**
Segment results	**(146)**	**2,354**	**(1,157)**	**(1,849)**	**(21)**	**(41)**	**(1,324)**	**464**
Finance costs							(1,263)	(1,042)
Loss before income tax							**(2,587)**	**(578)**
Tax credit/ (expense)							95	(168)
Loss for the year							**(2,492)**	**(746)**
Other material items								
Amortisation of right-of-use assets	(2)	-	(150)	-	-	-	(152)	-
Depreciation of property, plant and equipment	(31)	(11)	(462)	(443)	-	-	(494)	(454)
Capital expenditure	618	112	226	3	-	-	844	115
Reversal of expected credit loss allowance/ (Expected loss allowance) for trade and other receivables	17	(1)					17	(1)
Reversal/ (Write-down) of inventories, net	4	(218)	-	-	-	-	4	(218)

Geographical segments

Group	2019	2018
	US$'000	US$'000
China	241,516	293,061
Taiwan	26,239	12,026
Indonesia	24,011	32,922
Singapore	21,769	26,464
Other countries in Asia	28,947	28,547
Others	17,992	20,382
Total	**360,474**	**413,402**

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

Please refer to item 8.

15. A breakdown of sales.

Group	FY 2019	FY 2018	% Change
	US$'000	US$'000	
(a) Sales reported for the first half year	173,677	227,875	-23.8
(b) Loss after tax before deducting non-controlling interests reported for the first half year	(780)	(602)	+29.6
(c) Sales reported for the second half year	186,797	185,527	+0.68
(d) Loss after tax before deducting non-controlling interests reported for the second half year	(1,712)	(144)	N.M.

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

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

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

The Group obtained the approval from shareholders on the renewal of the interested person transactions mandate pursuant to Rule 920 during the annual general meeting of the Company held on 26 April 2018.

The interested person transactions entered into during the financial year ended 31 December 2019 are as follows:

Name of interested person	**Nature of relationship**	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)**
		S$'000	**S$'000**
Kellin Chemicals (Zhangjiagang) Co., Ltd (凯凌化工(张家港)有限公司) Sales and purchases of chemicals	A company owned by an associate of Mr Shi Jiangang, the Executive Chairman of the Company	-	82,471
Jiangsu Feymer Technology Co., Ltd (江苏富淼科技股份有限公司) Sales of chemicals	A company owned by an associate of Mr Shi Jiangang, the Executive Chairman of the Company	-	476
Shanghai Orient-Salt Chemicals Co., Ltd (上海东盐化工有限公司) Rental of office	A company owned by Mr Jiang Hao, a Director of the Company	148	-

18. Use of proceeds from convertible bonds issue and placement issue

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

19. Interested Person Transactions ("IPTs")

Please refer to Item 17.

20. 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.

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

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current Position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Jiang Jie	48	Brother of Jiang Hao, a substantial shareholder and Director	Director of Touen Japan Co. Ltd (東塩ジャパン株式会社)	Nil

BY ORDER OF THE BOARD

Sam Kok Yin
Managing Director
25 February 2020

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. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents in this announcement, including the accuracy, completeness, correctness of any of the information, statements made, reports contained or opinions expressed in this announcement.

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