



ABUNDANCE INTERNATIONAL LIMITED

洋裕国际有限公司

(Singapore Co. Reg. No: 197501572K)

NEWS RELEASE - FOR IMMEDIATE RELEASE

Results for full year ended 31 December 2019

	FY2019	FY2018
Revenue	US\$360.5 million	US\$413.4 million
Total loss attributable to the Shareholders	US\$(2.5 million)	US\$(0.7 million)
(Loss)/ Earnings before interest, taxes, depreciation and amortisation	US\$(0.7 million)	US\$0.9 million

Singapore, 25 February 2020 – SGX Catalist-listed Abundance International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) today announced its results for the full year ended 31 December 2019 (“**FY2019**”).

- For FY2019, the Group recorded US\$360.5 million of revenue, mainly arising from the chemical trading business undertaken by our wholly-owned subsidiary, Orient-Salt Chemicals Pte. Ltd., and its subsidiaries (the “**OSC Group**”).
- This year, the OSC Group contributed a loss after tax of US\$0.5 million due to the challenging and competitive trading environment. In addition, the increase in freight and handling charges by US\$2.3 million due to the increased trade volumes and freight rates resulted in further losses.
- The Group recorded loss before interest, taxes, depreciation and amortisation for FY2019 of US\$0.7 million. There was a loss attributable to the shareholders of US\$2.5 million after deducting costs incurred at the Company level comprising mainly:
 - a non-cash interest expense of US\$1.1 million recorded in FY2019 as a result of the S\$12,855,000 in principal amount of zero coupon bonds issued by the Company on 31 January 2017;
 - depreciation of US\$462,000 that was mainly derived from the factory at 9 Joon Koon Circle; and
 - amortisation of right-use assets of US\$150,000.

Managing Director, Mr Sam Kok Yin said, “Due to the global economic downturn and a drop in the average selling price of chemical products, the OSC Group reported a significant drop in revenue for FY2019 as compared to FY2018. This is despite an increase in the volume of chemicals that we traded in by approximately 16%. 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.”

Mr Sam added, “Zhangjiagang Orient-Hill Microorganisms Technology Co., Ltd, in which the Company currently has a 70% equity interest, has signed an agreement to provide water treatment services and solutions to a waste water treatment plant located in a suburb of the Shanghai Municipality. We will continue our marketing efforts in this area. We also completed the acquisition of 18.18% of the enlarged share capital of Shanghai Sunrise Polymer Material Co., Ltd. (“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. As at 31 December 2019, we have recorded a fair value gain of US\$773,000 in respect of the investment in SSPM as they are performing well and showed a significant improvement in financial results since our acquisition. We will continue to explore and evaluate other chemical related investment opportunities.”

On the current COVID-19 outbreak, Mr Sam commented “As our chemical businesses are conducted mainly out of 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.”

With regards to its Print and Paper Management Business, the Group has been exploring ways to adjust its business model moving forward. In June 2019, the Group started slitting and rewinding of paper rolls and in October 2019, the Group started providing sheeting services. Today, the Group is able to provide a comprehensive suite of paper management services to clients which are mostly based in Singapore.

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About Abundance International Limited

Incorporated in Singapore in 1975 and listed on SGX Sesdaq in 2000, the Company was engaged primarily in the business of commercial printing of books, calendars and other publications. In 2015, it diversified its business scope and today, the Company’s businesses comprise Chemicals, Investments and Print and Paper Management.

For further information, please email to: contact@abundance.com.sg or call +65 6861 4040.

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 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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