



Abundance International Limited

Condensed Interim Financial statements for the six-month period ended 30 June 2021

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Abundance International Limited

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Condensed interim consolidated statement of profit or loss and other comprehensive income for the six-months periods ended 30 June 2021 (“HY2021”) and 2020 (“HY2020”)

	Note	HY2021 US\$'000	HY2020 US\$'000	Increase/ (Decrease) %
Revenue	4	340,538	187,894	81.2
Other income	5	4,388	188	N.M.
Total revenue		344,926	188,082	83.4
Expenses				
Changes in inventories of finished goods and goods in transit		(324,756)	(178,943)	81.5
Employee benefits expenses		(2,413)	(1,318)	83.1
Amortisation of right-of-use assets		(92)	(84)	9.5
Depreciation of property, plant and equipment	10	(228)	(260)	(12.3)
Freight and handling charges		(6,640)	(5,432)	22.2
Other expenses	5	(3,134)	(1,989)	57.6
Finance costs	5	(350)	(705)	(50.4)
Profit/ (Loss) before taxation	5	7,313	(649)	N.M.
Tax expense	6	(1,911)	(150)	N.M.
Profit/ (Loss) for the period		5,402	(799)	N.M.
Other comprehensive loss after tax				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation differences arising on consolidation of foreign operation		(108)	(326)	(66.9)
Total comprehensive income/ (loss) for the period		5,294	(1,125)	N.M.
Profit/ (Loss) for the year attributable to:				
- Equity holders of the Company		5,398	(792)	N.M.
- Non-controlling interests		4	(7)	N.M.
Total profit/ (loss) for the period		5,402	(799)	N.M.
Total comprehensive income /(loss) attributable to:				
- Equity holders of the Company		5,290	(1,118)	N.M.
- Non-controlling interests		4	(7)	N.M.
Total comprehensive income/(loss) for the period		5,294	(1,125)	N.M.
Earning/ (Loss) per share attributable to equity holders of the Company				
Basic and diluted (cents)	7	0.42	(0.12)	N.M.

Note:

N.M. denotes “Not Meaningful”

The accompanying notes are an integral part of this condensed Interim financial statements.



Condensed interim statements of financial position as at 30 June 2021 and 31 December 2020

	Note	The Group		The Company	
		30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
ASSETS					
Non-Current Assets					
Subsidiaries		-	-	7,243	7,243
Financial asset at fair value through other comprehensive income ("FVTOCI")	9	5,810	5,910	-	-
Property, plant and equipment	10	12,733	13,132	12,662	13,056
Right-of-use assets		1,909	2,040	1,858	1,939
Deferred tax assets		91	91	-	-
		20,543	21,173	21,763	22,238
Current Assets					
Inventories		21,815	15,940	-	-
Trade receivables		27,721	30,223	-	-
Other receivables and deposits		1,646	1,514	37	34
Advances and prepayments		5,509	7,119	5	18
Amounts due from subsidiaries		-	-	5,252	3,706
Financial assets at fair value through profit or loss ("FVTPL")	11	8,710	141	-	-
Derivative financial instrument	12	368	368	368	368
Cash and bank balances		6,890	4,910	58	109
		72,659	60,215	5,720	4,235
Total assets		93,202	81,388	27,483	26,473
EQUITY					
Share capital	13	42,869	33,246	42,869	33,246
Other equity instruments	14	-	2,011	-	2,011
Reserves		(8,998)	(16,299)	(22,352)	(22,871)
Equity attributable to equity holders of the Company		33,871	18,958	20,517	12,386
Non-controlling interests		(25)	(29)	-	-
Total equity		33,846	18,929	20,517	12,386

The accompanying notes are an integral part of this condensed Interim financial statements.

**Condensed interim statements of financial position
as at 30 June 2021 and 31 December 2020 (Cont'd)**

	Note	The Group		The Company	
		30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
LIABILITIES					
Non-Current Liabilities					
Borrowings	15	2,297	2,707	-	-
Interest-free loan from a director	16	-	327	-	327
Lease liabilities		1,952	2,020	1,937	2,004
Deferred tax liabilities		2,569	1,614	1,115	1,135
		6,818	6,668	3,052	3,466
Current Liabilities					
Trade payables		30,991	37,665	42	43
Other payables and accruals		3,577	1,701	688	260
Advances from customers		11,110	5,013	-	-
Borrowings	15	2,581	10,530	-	9,613
Interest-free loan from a director	16	346	-	346	-
Loans from directors	17	1,863	240	1,453	-
Amounts due to a related party	18	1,321	-	1,321	-
Amounts due to a subsidiary		-	-	-	641
Lease liabilities		100	150	64	64
Derivative liability	12	-	-	-	-
Income tax liabilities		649	492	-	-
		52,538	55,791	3,914	10,621
Total Liabilities		59,356	62,459	6,966	14,087
Total equity and liabilities		93,202	81,388	27,483	26,473

The accompanying notes are an integral part of this condensed interim financial statements.



Condensed interim consolidated statement of changes in equity for the six-months periods ended 30 June 2021 and 2020

The Group	← Attributable to equity holders of the Company →								Discount paid on acquisition of non-controlling interests US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Other equity instruments US\$'000	Translation reserve US\$'000	Asset revaluation reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Accumulated losses US\$'000					
At 1 January 2021	33,246	2,011	(784)	10,967	2,345	-	(30,213)	1,386	18,958	(29)	18,929	
Issue of new shares by conversion of Warrants (Note 13 and 14)	9,623	(2,011)	-	-	-	-	2,011	-	9,623	-	(9,623)	
Total comprehensive income/ (loss) for the period	-	-	(108)	-	-	-	5,398	-	5,290	4	5,294	
Transfer to statutory Reserve	-	-	-	-	-	181	(181)	-	-	-	-	
At 30 June 2021	42,869	-	(892)	10,967	2,345	181	(22,985)	1,386	33,871	(25)	33,846	
At 1 January 2020	33,246	2,011	(1,300)	10,258	773	-	(27,590)	1,386	18,784	14	18,798	
Total comprehensive loss for the period	-	-	(326)	-	-	-	(792)	-	(1,118)	(7)	(1,125)	
At 30 June 2020	33,246	2,011	(1,626)	10,258	773	-	(28,382)	1,386	17,666	7	17,673	

The accompanying notes are an integral part of this condensed interim financial statements.



Condensed interim consolidated statement of changes in equity for the six-months periods ended 30 June 2021 and 2020 (Cont'd)

The Company	Share capital US\$'000	Other equity instruments US\$'000	Translation reserve US\$'000	Asset revaluation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At 1 January 2021	33,246	2,011	(1,162)	10,967	(32,676)	12,386
Issue of new shares by conversion of warrants (Note 13 and 14)	9,623	(2,011)	-	-	2,011	9,623
Total comprehensive loss for the period	-	-	(195)	-	(1,297)	(1,492)
At 30 June 2021	42,869	-	(1,357)	10,967	(31,962)	20,517
At 1 January 2020	33,246	2,011	(1,196)	10,258	(30,522)	13,797
Total comprehensive loss for the period	-	-	(222)	-	(995)	(1,217)
At 30 June 2020	33,246	2,011	(1,418)	10,258	(31,517)	12,580

The accompanying notes are an integral part of this condensed interim financial statements.

**Condensed interim consolidated statement of cash flows
for the six-months periods ended 30 June 2021 and 2020**

	Note	HY2021 US\$'000	HY2020 US\$'000
Cash Flows from Operating Activities			
Profit/ (Loss) before taxation		7,313	(649)
Adjustments for:			
Amortisation and depreciation		320	344
Dividend income from financial assets at FVTPL	5	(96)	(2)
Fair value (gains)/ losses from financial assets at FVTPL	5	(3,993)	8
Gain on disposal of financial assets at FVTPL	5	(26)	-
Interest income	5	(4)	(14)
Interest expense	5	350	705
Reversal of inventories write-down, net	5	(19)	-
Unrealised loss from futures contract		60	-
Foreign currency translation differences		9	(5)
Operating cashflow before working capital changes		3,914	387
Change in inventories		(5,856)	1,595
Change in trade and other receivables and deposits		2,310	(10,494)
Change in advances and prepayments		1,610	3,251
Change in trade and other payables and accruals		(4,798)	9,310
Change in advances from customers		6,097	(2,220)
Cash generated from operations		3,277	1,829
Interest income received		4	14
Interest paid		(27)	(10)
Income tax paid		(755)	(53)
Net cash generated from operating activities		2,499	1,780
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(51)	(34)
Purchase of financial assets at FVTPL	11	(4,982)	(206)
Proceeds from disposal of financial assets at FVTPL		482	-
Dividend received		94	-
Net cash used in investing activities		(4,457)	(240)
Cash Flows from Financing Activities			
Loans from directors		2,869	212
Repayment of loan to directors		(1,264)	-
Advances from a related party		6,600	-
Repayment to a related party		(5,300)	-
Proceeds from bank borrowings		1,855	3,581
Repayment of bank borrowings		(542)	-
Net repayment of zero-coupon bonds		(57)	-
Repayment of principal portion of lease liabilities		(130)	(115)
Interest paid		(103)	(54)
Fixed deposits released		210	-
Net cash generated from financing activities		4,138	3,624
Net increase in cash and cash equivalents		2,180	5,164
Effect of changes in currency translation		10	(33)
Cash and cash equivalents at beginning of period		4,700	5,037
Cash and cash equivalents at end of period		6,890	10,168

The accompanying notes are an integral part of this condensed interim financial statements.



Notes to the condensed interim financial statements

1 Corporate information

Abundance International Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The principal activities of the Company are those of print and paper management related activities and investment holding. The principal activities of the subsidiaries are those of trading of commodity chemical products, provision of water treatment solutions using microbial and/or chemicals in the People’s Republic of China (“**PRC**”), print and paper management related activities and in investment and trading of securities.

These condensed interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”) were authorised for issue by the Board of Directors on 11 August 2021.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020. Accordingly, this condensed interim financial statements should be read together with Company’s consolidated financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements have been presented in United States dollar (“**USD**” or “**US\$**”) while the Company’s functional currency remain in Singapore dollar (“**SGD**” or “**S\$**”). As the Group’s chemical businesses are traded mainly in USD, the directors are of the view that a USD financial reporting provides more relevant presentation of the Group’s financial performance and cashflows. All financial information presented in USD have been rounded to the nearest thousand, unless otherwise stated.

Impact of COVID-19

The Group’s significant operations are in Singapore, PRC and Japan, all of which have been affected by the spread of COVID-19. In the preparation of the condensed interim financial statements, the Group has considered the market conditions as at the reporting period end date, in making estimates and judgements on the valuation of buildings on the leasehold land, valuation of its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income including valuation of derivative financial instruments, and impairment of non-financial assets as at 30 June 2021 and concluded that no further write downs was deemed necessary. The Group has also assessed that the going concern basis of preparation for this set of condensed interim financial statements remains appropriate.



Notes to the condensed interim financial statements (Cont'd)

2.1 Adoption of new and revised SFRS(I) effective in 2021

The Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	<i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segments and revenue information

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 and provision of water treatment solutions using microbial and/or chemicals.
- (ii) Printing related - covers the paper management related activities
- (iii) Investment - covers the investment business.

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.



Notes to the condensed interim financial statements (Cont'd)

4.1 Reportable segments

	Chemicals		Printing related		Investment		Unallocated		Consolidated	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	HY2021	HY2020	HY2021	HY2020	HY2021	HY2020	HY2021	HY2020	HY2021	HY2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales to external customers	340,158	187,579	380	315	-	-	-	-	340,538	187,894
Segment revenue	340,158	187,579	380	315	-	-	-	-	340,538	187,894
Segment results										
EBITDA/ (LBITDA)*	8,643	717	66	(5)	80	(21)	(810)	(305)	7,979	386
Depreciation and amortisation	(41)	(74)	(279)	(270)	-	-	-	-	(320)	(344)
Interest income	4	14	-	-	-	-	-	-	4	14
Interest expenses	(165)	(65)	(53)	(49)	-	-	(132)	(591)	(350)	(705)
Profit/ (Loss) before income tax	8,441	592	(266)	(324)	80	(21)	(942)	(896)	7,313	(649)
Tax expense	(1,644)	(150)	-	-	-	-	(267)	-	(1,911)	(150)
Profit/ (Loss) for the period	6,797	442	(266)	(324)	80	(21)	(1,209)	(896)	5,402	(799)
Other material items:										
Commission	(1,109)	(42)	-	-	-	-	-	-	(1,109)	(42)
Fair value gains/(losses) from financial assets at FVTPL	3,932	-	-	-	61	(8)	-	-	3,993	(8)

Notes:

* EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

* LBITDA – Losses Before Interest, Taxation, Depreciation and Amortisation.



Notes to the condensed interim financial statements (Cont'd)

4.1 Reportable segments (Cont'd)

In addition, segment assets and liabilities reconciled with the consolidated balances as at 30 June 2021 and 31 December 2020 are as follows:

	Chemicals		Printing related		Investment		Elimination		Consolidated	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	72,314	60,205	27,607	26,583	6,043	6,457	(12,853)	(11,948)	93,111	81,297
Deferred tax assets	91	91	-	-	-	-	-	-	91	91
Consolidated total assets	72,405	60,296	27,607	26,583	6,043	6,457	(12,853)	(11,948)	93,202	81,388
Segment liabilities	44,671	44,441	6,263	3,932	3,184	3,628	(6,388)	(5,452)	47,730	46,549
Interest free loan from a director	-	-	346	327	-	-	-	-	346	327
Loans from directors	1,676	240	187	-	-	-	-	-	1,863	240
Advances from a related party	1,321	-	-	-	-	-	-	-	1,321	-
Borrowings	4,878	3,624	-	9,613	-	-	-	-	4,878	13,237
Income tax liabilities	649	492	-	-	-	-	-	-	649	492
Deferred tax liabilities	983	-	1,115	1,135	471	479	-	-	2,569	1,614
Consolidated total liabilities	54,178	48,797	7,911	15,007	3,655	4,107	(6,388)	(5,452)	59,356	62,459
Capital expenditure	-	68	51	-	-	-	-	-	51	68
Investment in financial asset at FVTPL	4,597	-	-	-	387	338	-	-	4,984	338



Notes to the condensed interim financial statements (Cont'd)

4.2 Disaggregation of revenue

The Group	HY2021 US\$'000	HY2020 US\$'000
Chemicals	340,158	187,579
Printing related	380	315
	340,538	187,894

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following segments and geographical regions. Revenue is attributed to countries by location of customers.

	Chemicals		Printing related		Total US\$'000
	At point in time US\$'000	Over time US\$'000	At point in time US\$'000	Over time US\$'000	
HY2021					
- PRC	219,525	-	-	-	219,525
- Taiwan	12,493	-	-	-	12,493
- Indonesia	12,457	-	-	-	12,457
- Singapore	16,620	-	226	154	17,000
- Japan	31,277	-	-	-	31,277
- India	14,522	-	-	-	14,522
- Other countries in Asia	14,263	-	-	-	14,263
- Others	19,001	-	-	-	19,001
	340,158		226	154	340,538
HY2020					
- PRC	127,565	-	-	-	127,565
- Taiwan	11,947	-	-	-	11,947
- Indonesia	12,629	-	-	-	12,629
- Singapore	4,714	-	145	170	5,029
- Japan	3,563	-	-	-	3,563
- India	326	-	-	-	326
- Other countries in Asia	10,434	-	-	-	10,434
- Others	16,401	-	-	-	16,401
	187,579		145	170	187,894

**Notes to the condensed interim financial statements (Cont'd)****5 Profit/ (Loss) before taxation**

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

The Group	HY2021 US\$'000	HY2020 US\$'000
Other income		
Dividend income from financial assets at FVTPL	96	2
Exchange gain, net	127	-
Fair value gains/ (losses) from financial assets at FVTPL	3,993	(8)
Gain on disposal of financial assets at FVTPL	26	-
Government grants	100	54
Interest income	4	14
Income from subleasing	10	18
Realised gain from futures contract	-	80
Reversal of inventories write-down, net	19	-
Others	13	28
Sub-total	4,388	188
Other expenses		
Bank charges	(207)	(153)
Commission expense	(1,109)	(42)
Entertainment expense	(91)	(90)
Exchange loss, net	-	(64)
Insurance expenses	(24)	(75)
Legal and professional fee	(119)	(99)
Realised and unrealised loss from futures contract	(66)	-
Short-term leases	(926)	(1,030)
Others	(592)	(436)
Sub-total	(3,134)	(1,989)
Finance costs		
Non-cash interest expenses on zero-coupon bonds	(112)	(573)
Non-cash interest expenses on lease liabilities	(54)	(53)
Non-cash interest expenses on an interest-free loan from a director	(18)	(15)
Interest expenses on loan from directors	(21)	-
Interest expenses on advances from a related party	(30)	-
Interest expenses on bank borrowing	(59)	(1)
Others	(56)	(63)
Sub-total	(350)	(705)

**Notes to the condensed interim financial statements (Cont'd)****6 Income tax recognised in profit or loss**

	HY2021	HY2020
	US\$'000	US\$'000
The Group		
Current tax expense		
- Current year	674	150
- Over provision in prior year	(13)	-
- (Reversal of)/ Tax losses carry forward used in group relief	267	-
Deferred taxation		
- Current year	983	-
Tax expense	1,911	150

The deferred tax expense of US\$983,000 is attributable to the potential tax in the event of sales of the Group's financial asset at FVTPL.

7 Earning/ (Loss) per share

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

	HY2021	HY2020
	US\$'000	US\$'000
The Group		
Net profit/ (loss) attributable to equity holders of the Company (US\$'000)	5,398	(792)
Weighted average number of ordinary shares ('000)	1,281,689	642,750
Basic/ diluted earning/ (loss) per ordinary share (cents)	0.42 ^(a)	(0.12) ^{(a)(b)}

^(a) The effect of the Put Option in Zhangjiagang Orient-Hill Microorganisms Technology Co., Ltd ("Zhangjiagang Orient-Hill"), a subsidiary, is anti-dilutive. Hence, it was disregarded in the calculation of dilutive loss per share calculation at Group.

^(b) 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 ("Bonds"), 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 have been excluded from the calculation of diluted loss per share for the period ended 30 June 2020 as it is anti-dilutive.



Notes to the condensed interim financial statements (Cont'd)

8 Net asset value per ordinary share

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net asset value per ordinary share (US Cents)	2.64	2.95	1.60	1.93
Based on number of issued shares of the Company ('000)	1,281,689	642,750 ^(a)	1,281,689	642,750 ^(a)

^(a) The net asset value per ordinary share as at 31 December 2020 was derived without taking into account the additional shares that may be issued upon exercise of the Warrants issued pursuant to the 2017 Rights Issue.

9 Financial asset at fair value through other comprehensive income ("FVTOCI")

Financial assets at FVTOCI represents the 18.18% of the enlarged share capital of Shanghai Sunrise Polymer Material Co., Ltd.

The fair value is determined based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity investments, and the expected revenue and EBITDA of the investee.

As at 30 June 2021, the management conducted an internal assessment of the valuation of the financial assets at FVTOCI, including considering any significant changes in financial performance and future developments of the investee company. Based on the assessment, management is of the view that the fair value of the financial assets at FVTOCI has not materially changed from the 31 December 2020 valuation.



Notes to the condensed interim financial statements (Cont'd)

10 Property, plant and equipment

The Group	Buildings on leasehold land US\$'000	Furniture, fittings and office equipment US\$'000	Plant and machinery US\$'000	Electrical installation and equipment US\$'000	Forklift equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
Cost or valuation:	At valuation	At cost					
At 1 January 2021	12,862	97	935	70	-	8	13,972
Additions	-	-	-	-	51	-	51
Currency translation differences	(219)	(4)	5	-	-	-	(218)
At 30 June 2021	12,643	93	940	70	51	8	13,805
Accumulated depreciation and impairment loss:							
At 1 January 2021	-	57	726	49	-	8	840
Depreciation	213	3	10	1	1	-	228
Currency translation differences	(2)	(1)	7	-	-	-	4
At 30 June 2021	211	59	743	50	1	8	1,072
Net book value:							
At 30 June 2021	12,432	34	197	20	50	-	12,733



Notes to the condensed interim financial statements (Cont'd)

10 Property, plant and equipment (Cont'd)

The Company	Buildings on leasehold land US\$'000	Office equipment US\$'000	Plant and machinery US\$'000	Electrical installation and equipment US\$'000	Forklift equipment US\$'000	Total US\$'000
Cost or valuation:	At valuation	At cost				
At 1 January 2021	12,862	3	203	22	-	13,090
Additions	-	-	-	-	51	51
Currency translation differences	(219)	-	(3)	-	-	(222)
At 30 June 2021	12,643	3	200	22	51	12,919
Accumulated depreciation and impairment loss:						
At 1 January 2021	-	1	30	3	-	34
Depreciation	213	1	10	1	1	226
Currency translation differences	(2)	-	(1)	-	-	(3)
At 30 June 2021	211	2	39	4	1	257
Net book value:						
At 30 June 2021	12,432	1	161	18	50	12,662

Security

As at 30 June 2021 and 31 December 2020, buildings on leasehold land of the Group and the Company with total net carrying amount of approximately US\$12,432,000 (31 December 2020: US\$12,862,000), were pledged to a bank for uncommitted banking facilities (trade facilities) granted to the Group's subsidiary, Orient-Salt Chemicals Pte. Ltd.

**Notes to the condensed interim financial statements (Cont'd)****10 Property, plant and equipment (Cont'd)**Valuation

The Group's and the Company's property, plant and equipment as at 30 June 2021 consists mainly of buildings on leasehold land of US\$12,432,000, stated at fair value, determined based on the properties' highest and best use. The fair value of buildings on leasehold land is determined by an external, independent and qualified valuer at every year-end.

The fair value is derived by using Direct Comparison Method that involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the buildings on leasehold land. The key assumptions to determine the fair value include adjusted market price per square meter.

As there is no indication of significant change to these key inputs considering the current market conditions, the fair value of buildings on leasehold land approximates the carrying value as reported in the Condensed Interim Statements of Financial Position.

Impairment

The Group performs its plant and equipment impairment test annually or when the circumstances indicate that the carrying amount may be impaired.

The impairment test was performed based on the respective cash generating units ("CGU") of the Group, and management has determined the recoverable amount of the CGU based on value in use ("VIU") calculation. To estimate the VIU, the estimated future cash flows are discounted using a discount rate that reflects market appreciations at the end of the periods regarding the time value of money considering the risks specific to the assets involved. The Group has considered various factors when reviewing the impairment indicators, such as future profitability of the CGUs, trends in industry, among other factors. As of 30 June 2021, there are no internal or external evidence that plant and equipment could be further impaired.

11 Financial assets at fair value through profit or loss ("FVTPL")

	The Group		The Company	
	30	31	30	31
	June	December	June	December
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Held for trading				
<u>Quoted equity investments:</u>				
At beginning of year	141	141	-	-
Additions	4,984	338	-	-
Disposals	(456)	(340)	-	-
Fair value loss recognised in profit or loss (Note 5)	3,993	(2)	-	-
Currency translation differences	48	4	-	-
At end of the reporting period	8,710	141	-	-

Included in the additions of US\$4,984,000 relates to the investment of 0.31% of the enlarged share capital of 江苏索普化工股份有限公司 Jiangsu Sopo Chemical Co., Ltd. ("Jiangsu Sopo") acquired by the Group which is listed on the stock exchange of Shanghai during the six-month period ended 30 June 2021.

Included in the total additions of US\$4,984,000 consists of US\$2,000 was in the form of scrip dividend and cash purchase of financial asset at fair value through profit or loss of US\$4,982,000.

The fair values of quoted equity investments are determined by reference to relevant stock exchange closing quoted market prices on the last market day of the reporting date.



Notes to the condensed interim financial statements (Cont'd)

12 Derivative financial instruments

	30 June 2020 US\$'000	31 December 2020 US\$'000
The Group and the Company		
Derivative asset		
At beginning of the year	368	228
Fair value gain recognised in profit or loss	-	133
Currency translation differences	-	7
At end of the reporting period	368	368
Derivative liability		
At beginning of the year	-	2
Fair value gain recognised in profit or loss	-	(2)
At end of the reporting period	-	-

Pursuant to the put and call option agreement (“PCOA”) entered on 14 March 2018, Mr. Shi Jiangang, the Chairman and Director of the Company, has granted the Company an interest-free loan that is repayable on 13 March 2022 (refer to Note 16) and provides the director with a Call Option to convert the loan into 40% Subsidiary Shares held by the Company at any time between 13 March 2019 to 13 March 2022 (the “Option Period”). In addition, under the PCOA, Mr. Shi Jiangang has granted a Put Option to the Company which provides the Company with the right to put the 40% Subsidiary Shares to Mr. Shi Jiangang over the Option Period subject to the terms and conditions of the PCOA.

The fair values of the derivative financial instruments have been valued by the independent professional valuers based on Binomial Model at every year-end. The fair value is determined based on fair value of the option shares of the investee, adjusted for the effect of the non-marketability and non-controllability.

As at 30 June 2021, the management conducted an internal assessment of the valuation of the derivative financial instruments, including considering any significant changes in financial performance of the Subsidiary. Based on the assessment, management is of the view that the fair value of the derivative financial instruments has not materially changed from 31 December 2020 valuation.

13 Share capital

	No. of shares		Amount	
	30 June 2021 '000	31 December 2020 '000	30 June 2021 US\$'000	31 December 2020 US\$'000
The Group and The Company				
Issued and fully paid ordinary shares with no par value:				
At beginning of year	642,750	642,750	33,246	33,246
Issue of new shares by conversion of Warrants	638,939	-	9,623	-
At end of year	1,281,689	642,750	42,869	33,246



Notes to the condensed interim financial statements (Cont'd)

13 Share capital (Cont'd)

A total of 638,939,000 Warrants had been exercised on 29 January 2021, resulting in the allotment and issue by the Company of 638,939,000 new ordinary shares in the capital of the Company (the “**New Shares**”). Accordingly, the issued and paid-up share capital of the Company as at 29 January 2021 has increased from 642,750,000 ordinary shares to 1,281,689,000 ordinary shares.

The New Shares rank pari passu in all respects with the existing issued and paid-up shares of the Company, save for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of issue and allotment of the New Shares. The New Shares had been listed and quoted on Catalist with effect from 2 February 2021.

14 Other equity instruments

	30 June 2021	31 December 2020
	US\$'000	US\$'000
Warrants - At beginning of year	2,011	2,011
Transferred to retained earnings upon exercise of Warrants	(2,011)	-
Warrants - At end of the reporting period	-	2,011

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 (“**Bonds**”) with principal amount of S\$0.02 for each bond, with up to 642,750,000 free detachable European Warrants (“**Warrants**”). Each Warrant carries 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.

As mentioned in Note 13, a total of 638,939,000 Warrants had been exercised on 29 January 2021, resulting in the allotment and issue by the Company of 638,939,000 new ordinary shares in the capital of the Company. Unexercised Warrants has lapsed and ceased to be valid for any purpose. The Warrants had been de-listed from the Official List of the SGX-ST after their expiry date. Upon the exercise/lapse of Warrants, the reserves on other equity instruments relating to the equity component of the Warrants have been transferred to retained earnings in accordance with SFRS(I)1-32.



Notes to the condensed interim financial statements (Cont'd)

15 Borrowings

	Note	The Group		The Company	
		30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Amount repayable after one year					
Bank borrowing (secured)		2,297	2,707	-	-
Amount repayable in one year or less, or on demand					
Bank borrowings (secured)		2,581	917	-	-
Bond payables (unsecured)	(a)	-	9,613	-	9,613
Total		4,878	13,237	-	9,613

Note:

(a) The book value of the Bonds (as defined below) issued on 31 January 2017 pursuant to the 2017 Rights Issue. The maximum redemption amount at maturity date is S\$12,855,000. During the HY2021, the Bonds have been fully settled on the maturity date from the exercise proceeds of the Warrants and internal resources.

Details of any collaterals

As at 30 June 2021, the bank borrowings of the Group are secured over certain trade receivables, corporate guarantee of the Company, personal guarantee from a director and his spouse, and property of a related party.

16 Interest-free loan from a director

As disclosed in Note 12, pursuant to the PCOA entered on 14 March 2018, Mr. Shi Jiangang, the Chairman and Director of the Company, has granted the Company an interest-free loan of RMB2.4 million that is repayable on 13 March 2022 and provides the director with the Call Option to convert the loan into 40% equity interest in the shares of the subsidiary, Orient-hill, held by the Company at any time between 13 March 2019 to 13 March 2022.

Subject to the terms of the contract and save for any profit distribution, the RMB2.4 million interest-free loan mirrors the exercise price on the Call Option and Put Option of a consideration sum of RMB2.4 million (less any profit to be distributed).



Notes to the condensed interim financial statements (Cont'd)

17 Loans from directors

	The Group		The Company	
	30	31	30	31
	June	December	June	December
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Mr Shi Jiangang	410	240	-	-
Mr Sam Kok Yin	1,453	-	1,453	-
Total	1,863	240	1,453	-

Loan from Mr Shi Jiangang, the Chairman and Director of the Company, in respect of the water treatment business under chemical segment, bears interest at 6% per annum, is unsecured and repayable in one year from the loan drawdown date. The loan was subsequently extended for another one year.

Loan from Mr Sam Kok Yin, the Managing Director of the Company, in respect of chemicals trading business of the Group and the working capital of the Company, bears interest at 3% per annum, is unsecured and repayable on demand.

18 Amount due to a related party

The amounts due to Feixiang Holdings Private Limited, a company owned by an associate of Mr Shi Jiangang, the Chairman and Director of the Company, in respect of chemicals trading business of the Group, bears interest at 3% per annum, are unsecured, repayable on demand and are to be settled in cash.



Notes to the condensed interim financial statements (Cont'd)

19 Related party transactions

Transactions and balances between Group companies consolidated upon the full consolidation method were eliminated in the consolidation process and therefore are not disclosed herein. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, and include advances, loan agreements, sales and purchases of products and services.

Significant transactions with related parties on terms agreed between the parties are as follows:

The Group	HY2021 US\$'000	HY2020 US\$'000
Loan from directors	2,869	212
Repayment of loan to directors	(1,264)	-
Advances from a related party	6,600	-
Repayment to a related party	(5,300)	-
Non-cash interest expenses on an interest-free loan from a director	(18)	(15)
Interest expenses on loan from directors	(21)	-
Interest expenses on advances from a related party	(30)	-
Sales to a related party	-	15,551
Purchases from a related party	(75)	(19,155)
Rental of office space	(58)	(53)
Rental of vehicles	(35)	(33)

20 Fair values measurement

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- 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 assets or liability, either directly or indirectly; and
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).



Notes to the condensed interim financial statements (Cont'd)

20 Fair values measurement (Cont'd)

	Note	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
30 June 2021					
<u>Non-financial assets</u>					
Buildings on leasehold land	10	-	-	12,432	12,432
<u>Financial assets</u>					
Financial asset at FVTOCI	9	-	-	5,810	5,810
Financial assets at FVTPL	11	8,710	-	-	8,710
Derivative financial instruments	12	-	-	368	368
<u>Financial liabilities</u>					
Bank loan	15	-	(2,297)	-	(2,297)
31 December 2020					
<u>Non-financial assets</u>					
Buildings on leasehold land	10	-	-	12,862	12,862
<u>Financial assets</u>					
Financial asset at FVTOCI	9	-	-	5,910	5,910
Financial assets at FVTPL	11	141	-	-	141
Derivative financial instruments	12	-	-	368	368
<u>Financial liabilities</u>					
Bank loan	15	-	(2,707)	-	(2,707)

For fair value movement, refer to Notes 10, 11 and 12 on buildings on leasehold land, financial assets at FVTPL and derivatives financial instruments respectively.

There were no transfers between Level 1, Level 2 and Level 3 of fair value hierarchy during the financial period ended 30 June 2021 and 31 December 2020.

There have been no significant changes in the valuation techniques of the various classes of financial instruments during the financial year.

21 Contingent liabilities

On 9 October 2020, Orient-Salt Chemicals Pte. Ltd. ("**OSC Singapore**"), a wholly-owned subsidiary of the Company, has received a notice of arbitration by a supplier for demurrage and related expenses amounting to approximately US\$789,000, together with interest and cost. Partial settlement of US\$185,000 has been made to the supplier on 7 July 2021. The legal proceeding on the remaining disputed claim is ongoing. The Group has made partial provision based on the management's best estimates and in consultation with the lawyer. The directors consider that disclosure of further details of the claim will seriously prejudice the Group's negotiating position and accordingly, further information on the nature of the obligation has not been provided.



Other Information Required by Listing Rule Appendix 7.2

- 1(i) 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.

	<u>No. of Shares</u> '000	<u>Share capital</u> USD'000
As at 1 January 2021	642,750	33,246
Issue of new shares by conversion of Warrants ⁽¹⁾	638,939	9,623
As at 30 June 2021	<u>1,281,689</u>	<u>42,869</u>

Note:

- ⁽¹⁾ Prior to the expiry of the Warrants, a total of 638,938,706 Warrants had been exercised on 29 January 2021, resulting in the allotment and issue by the Company of 638,938,706 new ordinary shares in the capital of the Company (the "New Shares"). Accordingly, the issued and paid-up share capital of the Company as at 29 January 2021 has increased from 642,750,000 ordinary shares to 1,281,688,706 ordinary shares. The New Shares rank pari passu in all respects with the existing issued and paid-up shares of the Company, save for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of issue and allotment of the New Shares. The New Shares had been listed and quoted on Catalist with effect from 2 February 2021. The Warrants had been de-listed from the Official List of the SGX-ST after their expiry date.

Summary of Outstanding Convertibles

As at 30 June 2020, the total number of issued shares in the Company was 642,750,000 shares. The number of shares that may be issued on conversion/exercise of all the outstanding convertibles (comprising the Warrants allotted and issued pursuant to the 2017 Rights) is 642,750,000 shares.

As at 30 June 2021, the total number of issued shares in the Company was 1,281,689,000 shares and there are no outstanding convertibles.

There were no treasury shares or subsidiary holdings held as at the end of financial periods ended 30 June 2021 and 30 June 2020.

- 1(ii) 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.

	As at 30 June 2021	As at 31 December 2020
The Group		
Total number of issued ordinary shares	<u>1,281,688,706</u>	<u>642,750,000</u>

The Company does not have any treasury shares as at 30 June 2021 and 31 December 2020.



- 1(iii) 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(iv) 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 as the figures have not been audited or reviewed by the Company's auditors.

- 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 as the latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- 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 2020.

- 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 adoption of 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 2021 did not have material impact on the financial performance or position of the Group.



6 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

The Group's revenue from chemicals trading rose by US\$152.6 million from US\$187.6 million in HY2020 to US\$340.2 million in HY2021, largely due to an increase in sales volume and average selling price of the chemical products that the Group traded in. The demand for chemicals had increased globally, led by the continuing recovery from the depth of the COVID-19 crisis. In line with the increase in sales, the corresponding cost of goods sold has increased by US\$145.9 million from US\$178.9 million in HY2020 to US\$324.8 million in HY2021. Print and paper management revenue increased by US\$65,000 from US\$315,000 in HY2020 to US\$380,000 in HY2021.

Other income increased by US\$4.2 million from US\$0.2 million to US\$4.4 million which was due mainly to the fair value gain from financial assets at FVTPL (namely, the investment in shares of Jiangsu Sopo). A corresponding deferred tax expense of US\$1.0 million was recognised in the profit or loss for the potential tax in the event of sales of the financial asset at FVTPL.

Employee benefits expenses increased by US\$1.1 million from US\$1.3 million in HY2020 to US\$2.4 million in HY2021 which was mainly to higher performance bonuses provided for HY2021 in view of the significant improvement on the Group's financial performance.

Freight and handling charges increased by US\$1.2 million from US\$5.4 million in HY2020 to US\$6.6 million in HY2021 which was due mainly to the increased in freight rates and higher freight costs in line with the increase in sales to customers compared to the same period last year.

Other expenses increased by US\$1.1 million from US\$2.0 million in HY2020 to US\$3.1 million in HY2021 which was due mainly to increased commission expenses paid to third parties in relation to chemical sales.

Finance costs decreased by US\$0.3 million from US\$0.7 million in HY2020 to US\$0.4 million in HY2021 which was due mainly to the maturity of the Bonds in January 2021. As a result, lower interest expenses were recorded as compared to the same period last year.

The tax expenses in HY2021 arose mainly from the provision for income taxes of profitable subsidiaries and deferred tax expense attributable to the potential tax in the event of sales of the financial asset at FVTPL as mentioned in the above paragraph.

The Group reported earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") of US\$8.0 million in HY2021 as compared to US\$386,000 in HY2020. The notable improvement is mainly attributable to the substantially higher chemical product margin spreads and fair value gains on financial asset at fair value through profit or loss offset by higher freight cost, employee benefits expenses and commission expenses.

The Group reported profit after tax of US\$5.4 million in HY2021 as compared to loss after tax of US\$799,000 in HY2020. The notable improvement is mainly attributable to the substantially higher chemical product margin spreads, fair value gains on financial asset at fair value through profit or loss, decreased in finance costs offset by higher freight cost, employee benefits expenses, commission expenses and tax expenses.



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Review of statement of financial position

Property, plant and equipment decreased by US\$0.4 million from US\$13.1 million as at 31 December 2020 to US\$12.7 million as at 30 June 2021 which was due mainly to depreciation charge for the reporting period and currency exchange differences as a result of the weakening of the Singapore dollar against the United States dollar.

Inventories increased by US\$5.9 million from US\$15.9 million as at 31 December 2020 to US\$21.8 million as at 30 June 2021 which was due mainly to more inventories purchased towards the end of June 2021 to cater for the higher demand of chemical products.

Trade receivables decreased by US\$2.5 million from US\$30.2 million as at 31 December 2020 to US\$27.7 million as at 30 June 2021 which was mainly due to more deals being arranged at advance payment terms or sight Letter of Credit clause. The Group's average debtor turnover days has decreased by 5 days from 20 days as at 31 December 2020 to 15 days as at 30 June 2021.

Advances and prepayments decreased by US\$1.6 million from US\$7.1 million as at 31 December 2020 to US\$5.5 million as at 30 June 2021 which was due mainly to less advance payment made to suppliers for the procurement of chemical supplies in respect of the OSC Group's chemical trading business.

Amounts due from subsidiaries increased by US\$1.6 million from US\$3.7 million as at 31 December 2020 to US\$5.3 million as at 30 June 2021 which was due mainly to more advances made to a subsidiary during the reporting period.

Financial asset at FVTPL increased by US\$8.6 million from US\$0.1 million as at 31 December 2020 to US\$8.7 million as at 30 June 2021 which was due mainly to the Group's investment in Jiangsu Sopo for a shareholding of 0.31% of the enlarged registered capital of Jiangsu Sopo and fair value upward adjustment by reference to relevant stock exchange closing quoted market price on the last market day of the reporting period.

Cash and bank balances increased by US\$2.0 million from US\$4.9 million as at 31 December 2020 to US\$6.9 million as at 30 June 2021 which was due mainly to positive cash generated from operations of US\$2.5 million, loans and advances from directors, related party and banks of US\$11.3 million, offset by repayment of loan and advances of US\$7.1 million and the US\$4.6 million cash investment in Jiangsu Sopo made during HY2021.

Trade payables decreased by US\$6.7 million from US\$37.7 million as at 31 December 2020 to US\$31.0 million as at 30 June 2021 which was due mainly to more purchases made at prepaid term.

Other payables and accruals increased by US\$1.9 million from US\$1.7 million as at 31 December 2020 to US\$3.6 million as at 30 June 2021 which was due mainly to performance bonus accrued based on HY2021 profitable result and increase in accrued freight charges as compared to the last reporting period.

Advances from customers increased by US\$6.1 million from US\$5.0 million as at 31 December 2020 to US\$11.1 million as at 30 June 2021 which was due mainly to more chemical sales being arranged under advance payment term.

Borrowings decreased by US\$8.3 million from US\$13.2 million as at 31 December 2020 to US\$4.9 million as at 30 June 2021 which was due mainly to redemption of the Bonds that matured on 30 January 2021 ("**Maturity Date**") at 100% of their principal value. The redemption was funded by the exercise proceeds of the Warrants issued pursuant to the 2017 Rights Issue and the Group's internal resources.

Deferred tax liabilities increased by US\$1.0 million from US\$1.6 million as at 31 December 2020 to US\$2.6 million as at 30 June 2021 which was mainly due to deferred tax liabilities of



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US\$983,000 accounted for the potential tax in the event of sales of the Group's financial asset at FVTPL and currency exchange differences.

Review of statement of cashflow

Net cash generated from operating activities of US\$2.5 million in HY2021 was due mainly to operating cash flows before changes in working capital of US\$3.9 million, net working capital outflows of S\$0.6 million and income tax paid of US\$0.8 million.

Net cash used in investing activities of US\$4.5 million in HY2021 was due mainly to the cash investment in Jiangsu Sopo of US\$4.6 million.

Net cash generated from financing activities of US\$4.1 million in HY2021 was due mainly to net advances from a related party of US\$1.3 million, net loans from directors of US\$1.6 million and net bank borrowings of US\$1.3 million.

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

Not applicable.

8. 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 core chemical trading business, conducted via our subsidiary, OSC, and its subsidiaries in PRC and Japan (collectively the "**OSC Group**") achieved revenue of US\$340.2 million, with profit after tax of US\$6.8 million (including a fair value gain of US\$3.9 million less US\$1.0 million corresponding deferred tax expense from an investment in Jiangsu Sopo, as mentioned below). Excluding the net fair value gains, the profit after tax of the OSC Group derived from its core chemical trading business was US\$3.9 million. This was due mainly to higher sales volume due to higher demands of chemical products from the recovery of economic activities and also due to significantly higher price per ton of several chemicals as compared to the same period last year.

The Company's joint venture company, Zhangjiagang Orient-Hill recorded US\$142,000 in revenue, with a loss after tax of US\$31,000 during HY2021. Zhangjiagang Orient-Hill provides water/sludge treatment solutions in the PRC. The growth of Zhangjiagang Orient-Hill had been slower than expected largely due to the COVID-19 outbreak as our Japanese partner had difficulties sending people on-site to the PRC to provide technical support.

The Company's wholly-owned subsidiary, Abundance Investments Pte. Ltd., acquired 18.18% of the enlarged share capital of Shanghai Sunrise Polymer Material Co., Ltd. ("**SSPM**") in FY2019. SSPM was incorporated in the PRC. It specialises in the production of specialty chemicals and provides customized formulations and total technical solutions for manufacturers of concrete admixtures, dry-mix mortar, lithium batteries, paints, inks and coatings. SSPM together with its subsidiaries recorded a small loss of US\$0.6 million for HY2021.

In April 2021, our wholly-owned subsidiary, Orient-Salt Chemicals (Shanghai) Co., Ltd., subscribed for 3,610,108 shares in Jiangsu Sopo, who is also our supplier and which is listed on the Shanghai Stock Exchange, at RMB8.31 each. The last traded price on 30 June 2021 and 10 August 2021 was RMB15.34 and RMB22.50 respectively. The moratorium period in respect of such shares will cease in October 2021, and we will continue to monitor this investment.



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We will continue to:-

- explore and evaluate other chemical related investment opportunities, striking a balance between long and short term investments; and
- explore corporate actions for our core chemical trading business.

Investment Business

The Group commenced its investment business under its wholly-owned subsidiary, Abundance Investments Pte. Ltd., which was incorporated on 1 September 2016. As at 30 June 2021, this portfolio (excluding the 18.18% equity interest in SSPM) consisting of cash and listed equities, amounted to US\$222,000.

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

In June 2019, the Group started slitting and rewinding of paper rolls and in October 2019, we started providing sheeting services. Today, the Group is able to provide a comprehensive suite of paper management services to its clients which are mostly based in Singapore. The Group's print and paper management business achieved US\$380,000 of revenue for HY2021.

9 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No

(b) (i) Amount per share cents.

Not applicable

(b) (ii) Previous corresponding period Cents

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.



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10 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 HY2021 as the Group wishes to conserve cash to fulfil the operational and financial requirements of the Group.

11 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 IPT mandate has been obtained, a statement to that effect.

The Group has not sought a renewal of the interested person transactions mandate pursuant to Rule 920 during the annual general meeting of the Company held on 27 April 2021.

12 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.

13 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.

14 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 2021 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
11 August 2021