



Abundance International Limited

Condensed Interim Financial statements for the six-month period ended 30 June 2023

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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 2023 (“HY2023”) and 2022 (“HY2022”)**

	Note	HY2023 US\$'000	HY2022 US\$'000	Increase/ (Decrease) %
Revenue	4	285,531	303,947	(6.1)
Other income	5	1,595	524	N.M.
Total revenue		287,126	304,471	(5.7)
Expenses				
Changes in inventories of finished goods and goods in transit		(275,663)	(287,378)	(4.1)
Employee benefits expenses		(1,594)	(1,788)	(10.9)
Amortisation of right-of-use assets		(88)	(81)	8.6
Depreciation of property, plant and equipment		(289)	(250)	15.6
Freight and handling charges		(5,700)	(9,675)	(41.1)
Other expenses	5	(3,203)	(3,508)	(8.7)
Finance costs	5	(201)	(207)	(2.9)
Profit before taxation	5	388	1,584	(75.5)
Tax expense	6	(94)	(604)	(84.4)
Profit for the period		294	980	(70.0)
Other comprehensive loss after tax				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Currency translation differences arising from consolidation of foreign operation		(929)	(1,314)	(29.3)
Reclassification of currency translation differences to profit or loss on deconsolidation of a subsidiary	9	(49)	-	N.M.
Total comprehensive loss for the period		(684)	(334)	N.M.
Profit for the year attributable to:				
- Owners of the Company		292	980	(70.2)
- Non-controlling interests		2	-	N.M.
Total profit for the period		294	980	(70.0)
Total comprehensive (loss)/ income attributable to:				
- Owners of the Company		(687)	(337)	N.M.
- Non-controlling interests		3	3	-
Total comprehensive loss for the period		(684)	(334)	N.M.
Earnings per share attributable to owners of the Company				
Basic and diluted (cents)	7	0.02	0.08	(75.0)

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 2023 and 31 December 2022**

		The Group		The Company	
		30	31	30	31
		June	December	June	December
		2023	2022	2023	2022
	Note	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current Assets					
Subsidiaries	9	-	-	7,243	7,243
Associate		-#	-	-#	-
Financial asset at fair value through other comprehensive income ("FVTOCI")	10	9,683	9,784	-	-
Property, plant and equipment	11	13,578	14,049	13,537	13,965
Right-of-use assets		1,847	1,963	1,713	1,776
Deferred tax assets		20	21	-	-
		25,128	25,817	22,493	22,984
Current Assets					
Inventories		12,245	10,253	-	-
Trade receivables		12,012	9,172	-	-
Other receivables and deposits		602	1,623	67	57
Advances and prepayments		13,692	15,956	5	16
Amounts due from subsidiaries		-	-	4,542	5,535
Financial assets at amortised cost		-	1,000	-	-
Financial assets at fair value through profit or loss ("FVTPL")		144	104	-	-
Derivative financial instrument	12	-	348	-	348
Cash and bank balances		5,774	8,627	57	230
		44,469	47,083	4,671	6,186
Total assets		69,597	72,900	27,164	29,170
EQUITY					
Share capital	13	44,868	44,868	44,868	44,868
Reserves		(7,962)	(6,631)	(21,872)	(20,500)
Equity attributable to owners of the Company		36,906	38,237	22,996	24,368
Non-controlling interests		8	(42)	-	-
Total equity		36,914	38,195	22,996	24,368

denotes amount less than USD1,000

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

**Condensed interim statements of financial position
as at 30 June 2023 and 31 December 2022 (Cont'd)**

		The Group		The Company	
		30	31	30	31
		June	December	June	December
		2023	2022	2023	2022
Note		US\$'000	US\$'000	US\$'000	US\$'000
LIABILITIES					
Non-current Liabilities					
Borrowings	15	697	1,180	-	-
Lease liabilities		1,936	2,021	1,881	1,918
Deferred tax liabilities		2,327	2,352	1,107	1,119
		4,960	5,553	2,988	3,037
Current Liabilities					
Trade payables		18,326	18,337	1	2
Other payables and accruals		1,887	1,462	199	374
Advances from customers		6,564	7,122	-	-
Borrowings	15	760	1,045	-	-
Interest-free loan from a director	16	-	348	-	348
Loans from directors	17	-	474	-	-
Amounts due to a subsidiary		-	-	945	993
Lease liabilities		114	134	35	48
Income tax liabilities		72	230	-	-
		27,723	29,152	1,180	1,765
Total liabilities		32,683	34,705	4,168	4,802
Total equity and liabilities		69,597	72,900	27,164	29,170

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 2023 and 2022

The Group	← Attributable to owners of the Company →							Discount paid on acquisition of non-controlling interests US\$'000	Equity attributable to owners US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
	Share capital 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 2023	44,868	(1,605)	12,485	5,518	572	(24,987)	1,386	38,237	(42)	38,195	
Final dividend paid (Note 14)	-	-	-	-	-	(646)	-	(646)	-	(646)	
Total comprehensive income/ (loss) for the period	-	(979)	-	-	-	294	-	(685)	1	(684)	
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	-	49	49	
At 30 June 2023	44,868	(2,584)	12,485	5,518	572	(25,339)	1,386	36,906	8	36,914	
At 1 January 2022	44,868	(809)	11,199	5,742	460	(25,834)	1,386	37,012	(38)	36,974	
Final dividend paid (Note 14)	-	-	-	-	-	(462)	-	(462)	-	(462)	
Total comprehensive income/ (loss) for the period	-	(1,314)	-	-	-	977	-	(337)	3	(334)	
At 30 June 2022	44,868	(2,123)	11,199	5,742	460	(25,319)	1,386	36,213	(35)	36,178	

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 2023 and 2022 (Cont'd)

The Company	Share capital US\$'000	Translation reserve US\$'000	Asset revaluation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At 1 January 2023	44,868	(1,300)	12,485	(31,685)	24,368
Final dividend paid (Note 14)	-	-	-	(646)	(646)
Total comprehensive loss for the period	-	(185)	-	(541)	(726)
At 30 June 2023	44,868	(1,485)	12,485	(32,872)	(22,996)
At 1 January 2022	44,868	(1,412)	11,199	(32,160)	22,495
Final dividend paid (Note 14)	-	-	-	(462)	(462)
Total comprehensive loss for the period	-	(446)	-	(607)	(1,053)
At 30 June 2022	44,868	(1,858)	11,199	(33,229)	20,980

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 2023 and 2022**

	Note	HY2023 US\$'000	HY2022 US\$'000
Cash Flows from Operating Activities			
Profit before taxation		388	1,584
Adjustments for:			
Amortisation and depreciation		377	331
Dividend income from financial assets at FVTPL	5, A	(3)	(11)
Fair value losses from financial assets at FVTPL	5	5	51
Gains on disposal of financial assets at FVTPL	5	-	(9)
Gain on deconsolidation of a subsidiary	5	(1,249)	-
Interest income	5	(46)	(12)
Interest expense	5	201	207
Impairment loss on trade and other receivables, net	5	621	185
Unrealised loss from futures contract		51	16
Write-down of inventories, net	5	381	615
Foreign currency translation differences		-	(901)
Operating cashflow before working capital changes		726	2,056
Change in inventories		(2,874)	(3,824)
Change in trade and other receivables and deposits		(2,658)	1,269
Change in advances and prepayments		1,566	2,067
Change in trade and other payables and accruals		1,572	3,992
Change in advances from customers		(208)	(1,444)
Cash (used in)/ generated from operations		(1,876)	4,116
Interest income received		35	12
Interest paid		(29)	(16)
Income tax paid		(232)	(1,152)
Net cash (used in)/ generated from operating activities		(2,102)	2,960
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	11	-	(24)
Purchase of financial assets at FVTPL		(47)	(588)
Proceeds from disposal of financial assets at FVTPL		-	173
Redemption of financial assets at amortised cost		1,000	-
Dividend received from financial assets at FVTPL	A	2	9
Deconsolidation of a subsidiary	9	(27)	-
Net cash generated from/ (used in) investing activities		928	(430)

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 2023 and 2022 (Cont'd)

	Note	HY2023 US\$'000	HY2022 US\$'000
Cash Flows from Financing Activities			
Repayment of loan to directors		-	(264)
Proceeds from bank borrowings		-	618
Repayment of bank borrowings		(666)	(976)
Repayment of principal portion of lease liabilities		(127)	(116)
Final dividend paid to owners of the Company	14	(646)	(462)
Interest paid		(108)	(131)
Fixed deposits pledged	B	-	(500)
Net cash used in financing activities		(1,547)	(1,831)
Net (decrease)/ increase in cash and cash equivalents		(2,721)	699
Effect of changes in currency translation		(132)	(7)
Cash and cash equivalents at beginning of period		8,127	8,472
Cash and cash equivalents at end of period	C	5,274	9,164

Other supplementary notes:

- A: US\$1,000 (HY2022: US\$2,000) out of the total dividend income from financial assets at FVTPL of US\$3,000 (HY2022: US\$11,000) was in the form of scrip dividend. The actual cash dividend received was US\$2,000 (HY2022: US\$9,000).
- B: During HY2022, the fixed deposits of US\$500,000 have been pledged to a financial institution to obtain trade facilities.
- C: Cash and bank balances per condensed statements of financial position:

	HY2023 US\$'000	HY2022 US\$'000
Cash and cash equivalents, as above	5,274	9,164
Add: Fixed deposits pledged	500	500
	5,774	9,664



Selected 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 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”) were authorised for issue by the Board of Directors on 11 August 2023.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 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 2022. Accordingly, this condensed interim financial statements should be read together with Company’s consolidated financial statements for the year ended 31 December 2022.

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.

2.1 Adoption of new and revised SFRS(I) effective in 2023

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.

Reference	Description
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to SFRS(I) 1-8	<i>Definition of Accounting Estimates</i>
Amendments to SFRS(I) 1-12, SFRS(I) 1	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The adoption of the new and revised SFRS(I) has no material impact on the Group and the Company’s financial statements or the Group’s accounting policies.



Selected notes to the condensed interim financial statements (Cont'd)

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 2022.

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.



Selected 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
	HY2023	HY2022	HY2023	HY2022	HY2023	HY2022	HY2023	HY2022	HY2023	HY2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales to external customers	285,272	303,608	259	339	-	-	-	-	285,531	303,947
Segment revenue	285,272	303,608	259	339	-	-	-	-	285,531	303,947
Segment results										
EBITDA/ (LBITDA)*	141	2,474	331	45	1	(23)	447	(386)	920	2,110
Depreciation and amortisation	(45)	(36)	(332)	(295)	-	-	-	-	(377)	(331)
Interest income	8	12	-	-	38	-	-	-	46	12
Interest expenses	(150)	(146)	(51)	(50)	-	-	-	(11)	(201)	(207)
Profit/ (Loss) before taxation	(46)	2,304	(52)	(300)	39	(23)	447	(397)	388	1,584
Tax expense	(94)	(604)	-	-	-	-	-	-	(94)	(604)
Profit/ (Loss) for the period	(140)	1,700	(52)	(300)	39	(23)	447	(397)	294	980
Other material items:										
Commission expenses	(134)	(129)	-	-	-	-	-	-	(134)	(129)
Demurrage	(19)	(519)	-	-	-	-	-	-	(19)	(519)
Gain on deconsolidation of a subsidiary	-	-	-	-	-	-	1,249	-	1,249	-
Write-down of inventories, net	(381)	(615)	-	-	-	-	-	-	(381)	(615)
Impairment loss on trade and other receivables, net	(628)	(185)	7	-	-	-	-	-	(621)	(185)
Short-term leases	(824)	(1,085)	(5)	(5)	-	-	-	-	(829)	(1,090)

Notes:

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

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



Selected 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 2023 and 31 December 2022 are as follows:

	Chemicals		Printing related		Investment		Elimination		Consolidated	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	43,790	45,597	27,306	29,308	11,210	12,231	(12,729)	(14,257)	69,577	72,879
Deferred tax assets	20	21	-	-	-	-	-	-	20	21
Consolidated total assets	43,810	45,618	27,306	29,308	11,210	12,231	(12,729)	(14,257)	69,597	72,900
Segment liabilities	26,694	27,345	3,879	4,178	4,468	5,459	(6,214)	(7,906)	28,827	29,076
Interest free loan from a director	-	-	-	348	-	-	-	-	-	348
Loans from directors	-	474	-	-	-	-	-	-	-	474
Borrowings	1,457	2,225	-	-	-	-	-	-	1,457	2,225
Income tax liabilities	72	230	-	-	-	-	-	-	72	230
Deferred tax liabilities	-	-	1,107	1,119	1,220	1,233	-	-	2,327	2,352
Consolidated total liabilities	28,223	30,274	4,986	5,645	5,688	6,692	(6,214)	(7,906)	32,683	34,705
Capital expenditure	1	39	-	511	-	-	-	-	1	550
Investment in debt securities at amortised cost	-	-	-	-	-	1,000	-	-	-	1,000
Investment in financial asset at FVTPL	-	-	-	-	48	970	-	-	48	970



Selected notes to the condensed interim financial statements (Cont'd)

4.2 Disaggregation of revenue

The Group	HY2023 US\$'000	HY2022 US\$'000
Chemicals	285,272	303,608
Printing related	259	339
	285,531	303,947

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 At point in time US\$'000	Printing related At point in time US\$'000	Over time US\$'000	Total US\$'000
HY2023				
- PRC	220,185	-	-	220,185
- Vietnam	5,230	-	-	5,230
- Japan	14,190	-	-	14,190
- Thailand	12,031	-	-	12,031
- Indonesia	14,087	-	-	14,087
- Taiwan	8,703	-	-	8,703
- Singapore	5,855	137	122	6,114
- India	-	-	-	-
- Other countries in Asia	2,643	-	-	2,643
- Others	2,348	-	-	2,348
	285,272	137	122	285,531
HY2022				
- PRC	184,580	-	-	184,580
- Vietnam	23,317	-	-	23,317
- Japan	21,720	-	-	21,720
- Thailand	18,328	-	-	18,328
- Indonesia	17,248	-	-	17,248
- Taiwan	12,265	-	-	12,265
- Singapore	10,807	176	163	11,146
- India	2,006	-	-	2,006
- Other countries in Asia	5,607	-	-	5,607
- Others	7,730	-	-	7,730
	303,608	176	163	303,947

**Selected notes to the condensed interim financial statements (Cont'd)****5 Profit before taxation**

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

The Group	HY2023 US\$'000	HY2022 US\$'000
Other income		
Bad debts recovered	-	69
Dividend income from financial assets at FVTPL	3	11
Exchange gain, net	-	416
Fair value losses from financial assets at FVTPL	(5)	(51)
Gains on disposal of financial assets at FVTPL	-	9
Gain on deconsolidation of a subsidiary	1,249	-
Government grants	102	13
Interest income	46	12
Income from subleasing	26	21
Solar income	93	-
Others	81	24
Sub-total	1,595	524
Other expenses		
Bank charges	(163)	(185)
Commission expense	(134)	(129)
Demurrage	(19)	(519)
Entertainment expense	(167)	(129)
Exchange loss, net	(234)	-
Impairment loss on trade and other receivables, net	(621)	(185)
Audit, legal and professional fee	(170)	(161)
Realised and unrealised loss from futures contract	(48)	1
Property tax	(44)	(44)
Short-term leases	(829)	(1,090)
Travel expenses	(65)	(29)
Write-down of inventories, net	(381)	(615)
Others	(328)	(423)
Sub-total	(3,203)	(3,508)
Finance costs		
Non-cash interest expenses on lease liabilities	(53)	(51)
Non-cash interest expenses on an interest-free loan from a director	-	(9)
Interest expenses on loans from directors	(11)	(16)
Interest expenses on bank borrowings	(32)	(72)
Others	(105)	(59)
Sub-total	(201)	(207)



Selected notes to the condensed interim financial statements (Cont'd)

6 Income tax recognised in profit or loss

The Group	HY2023 US\$'000	HY2022 US\$'000
Current tax expense		
- Current year	117	604
- Over provision in prior year	(23)	-
Tax expense	94	604

7 Earning per share ("EPS")

Basic and diluted EPS are calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The Group	HY2023 US\$'000	HY2022 US\$'000
Net profit attributable to owners of the Company (US\$'000)	292	980
Weighted average number of ordinary shares outstanding ('000)	1,281,689	1,281,689
Basic/ Diluted earnings per ordinary share (cents per share)	0.02	0.08 ^(a)

^(a) The effect of the put option in Orient-hill, a subsidiary, was anti-dilutive. Hence, it was disregarded in the calculation of dilutive loss per share calculation at Group.

8 Net asset value per ordinary share

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value per ordinary share (US Cents)	2.88	2.98	1.79	1.90
Based on number of issued shares of the Company ('000)	1,281,689	1,281,689	1,281,689	1,281,689



Selected notes to the condensed interim financial statements (Cont'd)

9 Subsidiaries

	30 June 2023 US\$'000	31 December 2022 US\$'000
The Company		
Cost of investments		
Unquoted equity shares, at cost		
At beginning of year	7,893	7,893
Deconsolidation	(625)	-
At end of year	7,268	7,893
<u>Less: Impairment losses</u>		
At beginning of year	650	378
Charged to profit or loss	-	274
Deconsolidation	(625)	-
Currency translation differences	-	(2)
At end of year	25	650
Net investment in subsidiaries	7,243	7,243

De-recognition of a subsidiary upon loss of control

Pursuant to the put and call option agreement (“PCOA”) entered into on 14 March 2018, Mr. Shi Jiangang, the Executive Chairman and Executive Director of the Company (“SJK”), had granted the Company an interest-free loan that was repayable on 13 March 2022 (refer Note 16) and the Company had provided SJK with a call option to convert the interest-free loan into 40% equity interest in the shares (the “Subsidiary Shares”) of Zhangjiagang Orient-hill Microorganisms Environmental Technology Co., Ltd. (“Zhangjiagang Orient-hill”) held by the Company at any time between 13 March 2019 to 13 March 2022 (the “Option Period”). In addition, under the PCOA, SJK had also granted a put option to the Company which provided the Company with the right to put the Subsidiary Shares to SJK over the Option Period subject to the terms and conditions of the PCOA (refer Note 12).

As provided in the PCOA, the put option may be exercised at an option price equivalent to a sum of RMB2.4 million less any profits distribution in respect of the Subsidiary Shares received by the Company up to the date of completion of the PCOA (or such other amount as may be agreed in writing) (the “Option Price”). The Option Price payable by SJK (or such party as he may nominate) shall be settled by the extinguishing of the interest free loan granted to the Company. Any amount that remains outstanding thereafter shall be payable by the Company, in cash to SJK, on or before completion of the share transfer.

On 11 March 2022, the Company exercised the put option under the PCOA in respect of the Subsidiary Shares. Following the exercise of the put option by the Company, SJK (or such party as he may nominate) was bound under the PCOA to complete the purchase of the Subsidiary Shares. The transfer of the Subsidiary Shares was completed in HY2023, and the Company’s shareholding interest in Zhangjiagang Orient-hill has decreased from 70% to 30%. Accordingly, Zhangjiagang Orient-hill ceased to be a subsidiary over which the Company has control, and became an associated company of the Group effective 29 May 2023.

**Selected notes to the condensed interim financial statements (Cont'd)****9 Subsidiaries (Cont'd)**

The fair value of identifiable assets and liabilities were as follows:

	<u>As at 29 May 2023</u>
	US\$'000
<u>Effects on de-recognition</u>	
Plant and equipment	32
Inventories	14
Other receivables	6
Advances and prepayments	6
Cash and bank equivalents	27
Trade payables	(41)
Other payables and accruals	(148)
Amount due to a director	(473)
Amount due a related company	(670)
Net identifiable liabilities de-recognised	(1,247)
Negative non-controlling interest	47
Fair value of retained equity interest	-#
Foreign currency translation	(49)
Net	(1,249)
Gain on deconsolidation	1,249
	-
Cash and cash equivalents disposed of	(27)
Net cash outflow from the de-recognition upon loss of control	(27)

The US\$1,249,000 gain on interest sold and retained non-controlling investment was recognised in the "Other Income" as disclosed in Note 5. The gain has included the remeasurement loss of the retained non-controlling investment to its fair value of US\$374,000.

	US\$'000
Fair value of retained equity interest	-#
Less: Percentage retained of carrying value of the subsidiary	(374)
Loss on retained non-controlling investment	(374)

Amount less than US\$1,000

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

Financial assets at FVTOCI represents 12.74% (31 December 2022: 12.74%) of the enlarged share capital of Shanghai Sunrise Polymer Material Co., Ltd ("**Sunrise**").

The fair value is determined based on Prior Transaction Method under the market approach. This is based on the recent transaction involving the transfer of 2,312,500 shares in Sunrise at RMB7.35 per share to a third party in September 2022.

As at 30 June 2023, 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 2022 valuation.



Selected notes to the condensed interim financial statements (Cont'd)

11 Property, plant and equipment

During the half year ended 30 June 2023, the Group acquired property, plant and equipment with an aggregate cost of US\$1,000 (HY2022: US\$24,000).

Security

As at 30 June 2023, buildings of the Group and the Company with total net carrying amount of approximately US\$12.9 million (30 June 2022: US\$11.78 million), were pledged to a bank for uncommitted banking facilities (trade facilities) granted to the Group's subsidiary, Orient-Salt Chemicals Pte. Ltd ("OSC" and together with its subsidiaries in the People's Republic of China and Japan, the "OSC Group").

Valuation

The Group's and the Company's property, plant and equipment as at 30 June 2023 consists mainly of buildings of US\$12.9 million, stated at fair value, determined based on the properties' highest and best use. The fair value of buildings is determined by an independent professional 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. 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 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 2023, there were no internal or external evidence that plant and equipment could be further impaired.

12 Derivative financial instrument

	30 June 2023 US\$'000	31 December 2022 US\$'000
The Group and the Company		
<u>Derivative asset</u>		
At beginning of the year	348	368
Derecognition upon deconsolidation of a subsidiary	(345)	-
Currency translation differences	(3)	(20)
At end of the reporting period	-	348

Following the completion of transfer of the Subsidiary Shares during HY2023, the derivative asset was derecognised accordingly. Refer Notes 9 and 16 for more details.

**Selected notes to the condensed interim financial statements (Cont'd)****13 Share capital**

	No. of shares		Amount	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	'000	'000	US\$'000	US\$'000
The Group and The Company				
Issued and fully paid ordinary shares with no par value:				
At beginning and end of year	1,281,689	1,281,689	44,868	44,868

There have been no changes in the Company's issued share capital since the end of the previous period reported on.

There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2023 and 30 June 2022.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares or subsidiary holdings as at 30 June 2023.

14 Dividend

	30 June 2023	31 December 2022
	US\$'000	US\$'000
The Group and The Company		
Final dividend paid of 0.07 (31 December 2022: 0.05) Singapore cents per shares	646	462

During HY2023, a final one-tier tax exempt ordinary dividend of 0.07 Singapore cents per share, totalling US\$646,000 was paid in respect of the previous financial year ended 31 December 2022.

No dividend has been declared or recommended for HY2023. In view of the uncertainty in the market outlook and business environment, the Board deems it prudent to defer any decision on dividends till the end of the financial year.

**Selected notes to the condensed interim financial statements (Cont'd)****15 Borrowings**

	The Group		The Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Amount repayable after one year				
Bank loan (secured)	697	1,180	-	-
Amount repayable in one year or less, or on demand				
Bank loans (secured)	760	1,045	-	-
Total	1,457	2,225	-	-

Details of any collaterals

As at 30 June 2023, the bank borrowings of the Group are secured over a corporate guarantee granted by the Company.

16 Interest-free loan from a director

	The Group		The Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Mr Shi Jiangang	-	348	-	348

As disclosed in Notes 9 and 12, following the completion of share transfer of the Subsidiary Shares, the Option Price payable by SJG (or such party as he may nominate) has been fully settled by the extinguishing of the interest-free loan granted to the Company.

17 Loans from directors

	The Group		The Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Mr Shi Jiangang	-	474	-	-

The loan from Mr Shi Jiangang, the Executive Chairman and Executive Director of the Company, to Zhangjiagang Orient-hill in respect of the water treatment business under chemical segment, bears interest at 6% per annum, is unsecured and repayable within one year from the loan drawdown dates. The loan repayment dates are subject to extension with mutual agreement from the parties. The loan was derecognised upon Zhangjiagang Orient-hill ceasing to be a subsidiary of the Group.

**Selected notes to the condensed interim financial statements (Cont'd)****18 Related party transactions**

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

The Group	HY2023 US\$'000	HY2022 US\$'000
Sales to a related party	4	-
Purchases from a related party	(448)	(88)
Rental of office space from a related party	(45)	(58)
Rental of vehicles from a related party	(24)	(32)
Sub-lease of factory space to a related party	26	-

19 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).

	Note	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
30 June 2023					
<u>Non-financial assets</u>					
Buildings	11	-	-	12,888	12,888
<u>Financial assets</u>					
Financial asset at FVTOCI	10	-	-	9,683	9,683
Financial assets at FVTPL		144	-	-	144
<u>Financial liabilities</u>					
Bank loans	15	-	(1,457)	-	(1,457)
31 December 2022					
<u>Non-financial assets</u>					
Buildings	11	-	-	13,281	13,281
<u>Financial assets</u>					
Financial asset at FVTOCI	10	-	-	9,784	9,784
Financial assets at FVTPL		104	-	-	104
Derivative financial instrument	12	-	-	348	348
<u>Financial liabilities</u>					
Bank loans	15	-	(2,225)	-	(2,225)



Selected notes to the condensed interim financial statements (Cont'd)

19 Fair values measurement (Cont'd)

There were no transfers between Level 1, Level 2 and Level 3 of fair value hierarchy during the financial period ended 30 June 2023 and 31 December 2022.

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

20 Subsequent events

There were no known subsequent events which have led to adjustments to this set of condensed interim financial statements.



Other Information Required by Listing Rule Appendix 7.2

- 1 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.

- 2 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.

- 2A 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.

- 3 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 decreased by US\$18.3 million from US\$303.6 million in HY2022 to US\$285.3 million in HY2023, largely due to the fall in demand and average selling price of the chemical products that the Group traded in. In line with the decrease in sales, the corresponding cost of goods sold has decreased by US\$11.7 million from US\$287.4 million in HY2022 to US\$275.7 million in HY2023. Print and paper management revenue has decreased by US\$80,000 from US\$339,000 in HY2022 to US\$259,000 in HY2023 due mainly to decrease in orders from customer.

Other income increased by US\$1.1 million from US\$0.5 million in HY2022 to US\$1.6 million in HY2023. This resulted from a recognition of gain from deconsolidation of a subsidiary of US\$1.2 million during HY2023.

Employee benefits expenses decreased by US\$0.2 million from US\$1.8 million in HY2022 to US\$1.6 million in HY2023 which was mainly due to lower performance bonuses provided for HY2023 based on the Group's financial performance.

Freight and handling charges decreased by US\$4.0 million from US\$9.7 million in HY2022 to US\$5.7 million in HY2023 which was due mainly to the decrease in sales activities and lower freight rates as compared to the same period last year.

The tax expenses in HY2023 arose mainly from the provision for income taxes of profitable subsidiaries. The tax expenses decreased by US\$510,000 from US\$604,000 in HY2022 to US\$94,000 in HY2023 was due to lower taxable profit generated.



Abundance International Limited

The 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 weakening of Singapore dollar and Renminbi against the United States dollar resulted in overall net foreign currency translation loss of US\$929,000 in HY2023.

EBITDA decreased by US\$1.2 million from US\$2.1 million in HY2022 to US\$0.9 million in HY2023. This was largely due to (i) the fall in demand and average selling price of chemical products traded by the OSC Group leading to a lower profit margin generated; (ii) expenses such as write-down of inventories, impairment loss on trade and other receivables; (iii) record of foreign currency exchange loss in HY2023 as compared to foreign currency exchange gain in HY2022, and (iv) offset by gain on deconsolidation of a subsidiary.

Profit after tax decreased by US\$0.7 million from US\$1 million in HY2022 to US\$0.3 million in HY2023. This was largely due to (i) the fall in demand and average selling price of chemical products traded by the OSC Group leading to a lower profit margin generated; (ii) expenses such as write-down of inventories, impairment loss on trade and other receivables; (iii) record of foreign currency exchange loss in HY2023 as compared to foreign currency exchange gain in HY2022, and (iv) offset by gains on deconsolidation of a subsidiary and lower tax expenses recorded.

Review of statement of financial position

Property, plant and equipment decreased by US\$0.4 million from US\$14.0 million as at 31 December 2022 to US\$13.6 million as at 30 June 2023 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\$1.9 million from US\$10.3 million as at 31 December 2022 to US\$12.2 million as at 30 June 2023 which was due mainly to (i) slower inventory movement and (ii) certain inventories being purchased to fulfil sales orders.

Trade receivables increased by US\$2.8 million from US\$9.2 million as at 31 December 2022 to US\$12.0 million as at 30 June 2023 which was mainly due to more sales with credit term in the month of June 2023. The Group's average debtor turnover days was 7 days as at 30 June 2023.

Other receivables and deposits decreased by US\$1.0 million from US\$1.6 million as at 31 December 2022 to US\$0.6 million as at 30 June 2023 which was mainly due to lower Goods and Services Tax recorded and impairment loss provided on other receivables.

Advances and prepayments decreased by US\$2.3 million from US\$16.0 million as at 31 December 2022 to US\$13.7 million as at 30 June 2023 which was due mainly to fewer advance payments made to suppliers for the procurement of chemical supplies.

Financial asset at amortised cost relates to investment in a United States Dollar denominated debt instrument issued by a bank, bearing interest at 4.441% per annum with maturity date of 17 February 2023. The debt instrument has been redeemed by the issuer on maturity date.

Amounts due from subsidiaries decreased by US\$1.0 million from US\$5.5 million as at 31 December 2022 to US\$4.5 million as at 30 June 2023 which was due mainly to repayment made by subsidiaries during the reporting period.

Cash and bank balances decreased by US\$2.8 million from US\$8.6 million as at 31 December 2022 to US\$5.8 million as at 30 June 2023 which was due mainly to negative cash generated from operations of US\$1.9 million, income tax paid of US\$0.2 million, bank borrowings repayment of US\$0.7 million, dividend paid to owners of the Company of US\$0.6 million, offset by redemption of financial assets at amortised cost of US\$1.0 million.



Abundance International Limited

Other payables and accruals increased by US\$0.4 million from US\$1.5 million as at 31 December 2022 to US\$1.9 million as at 30 June 2023 which was due mainly to higher unpaid freight invoices recorded offset by lower accrued performance bonus.

Advances from customers decreased by US\$0.5 million from US\$7.1 million as at 31 December 2022 to US\$6.6 million as at 30 June 2023 which was due mainly to fewer chemical sales being made under advance payment terms.

Borrowings decreased by US\$0.7 million from US\$2.2 million as at 31 December 2022 to US\$1.5 million as at 30 June 2023 which was due mainly to repayment of bank borrowings.

Review of statement of cashflow

Net cash used in operating activities of US\$2.1 million in HY2023 was due mainly to operating cash flows before changes in working capital of US\$0.7 million, net working capital outflows of S\$2.6 million and income tax paid of US\$0.2 million.

Net cash used in investing activities of US\$0.9 million in HY2023 was due mainly to the redemption of financial assets at amortised cost of US\$1.0 million.

Net cash used in financing activities of US\$1.5 million in HY2023 was due mainly to repayment of banks borrowings of US\$0.7 million and final dividend paid to owners of the Company of US\$0.6 million.

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

Not applicable.

5. 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 the OSC Group, achieved revenue of US\$285.3 million, with loss after tax of US\$0.1 million. Barring unforeseen circumstances including global economy recession, fluctuations in chemical prices or significant rises in freight costs, we expect that the OSC Group's business will remain stable in the next 12 months with the support from our customers, suppliers and bankers.

The Company's wholly-owned subsidiary, Abundance Investments Pte. Ltd., held 12.74% of the equity of Sunrise as at 31 December 2022 and 30 June 2023. Sunrise was incorporated in the PRC and specialises in the production of specialty chemicals used mainly for construction, surface care, oxythelen derivatives and the production of lithium batteries. Sunrise together with its subsidiaries recorded a small loss of US\$0.1 million for HY2023. This was due mainly to (i) oversupply of products for construction use leading to a drop in selling price as a result of a sluggish property market in PRC; and (ii) continuing investments in research and capital expenditure during this period.

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

As at 30 June 2023, the Group's investment portfolio (excluding the 12.74% equity interest in Sunrise) consisting of cash, listed equities and short-term deposit, amounted to US\$1.5 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

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\$259,000 of revenue for HY2023.

6 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 obtained a general mandate from shareholders for interested person transactions. The Group did not enter into any interested person transactions (excluding transactions less than S\$100,000) for the six months ended 30 June 2023.

7 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.

8 Disclosure on Acquisitions and Realisations of Shares pursuant to Rule 706A of the Catalyst Rules

Except for the deconsolidation of 40% of the equity interest in Zhangjiagang Orient-hill (i.e., the Subsidiary Shares) by the Company pursuant to the PCOA as disclosed in Notes 9, 12 and 16, during HY2023, there were no acquisitions or realisations of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or associated company.

As provided in the PCOA, the put option may be exercised at an option price equivalent to a sum of RMB2.4 million less any profits distribution in respect of the Subsidiary Shares received by the Company up to the date of completion of the PCOA (or such other amount as may be agreed in writing). The Option Price payable by SJG (or such party as he may nominate) has been fully settled by the extinguishing of the interest-free loan granted to the Company as disclosed in Note 16. The Subsidiary Shares are unlisted and the net liability value represented by the Subsidiary Shares is US\$1.2 million.

9 Confirmation pursuant to Rule 720(1) of the Catalyst Rules

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



10 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 2023 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 2023