



Abundance International Limited

Condensed Interim Financial statements for the six-month period and full year ended 31 December 2021

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Abundance International Limited

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Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	2H2021 US\$'000	2H2020 US\$'000	+ / (-) %	FY2021 US\$'000	FY2020 US\$'000	+ / (-) %
Revenue	4	373,661	223,253	67.4	714,199	411,147	73.7
Other income	5	1,056	1,386	(23.8)	5,444	1,574	N.M.
Total revenue		374,717	224,639	66.8	719,643	412,721	74.4
Expenses							
Changes in inventories of finished goods and goods in transit		(357,824)	(214,622)	66.7	(682,580)	(393,565)	73.4
Amortisation of right-of-use assets		(87)	(92)	(5.4)	(179)	(176)	1.7
Depreciation of property, plant and equipment	10	(262)	(273)	(4.0)	(490)	(533)	(8.1)
Employee benefits expenses		(3,603)	(1,464)	N.M.	(6,016)	(2,782)	N.M.
Freight and handling charges		(8,986)	(4,811)	86.8	(15,626)	(10,243)	52.6
Other expenses	5	(4,148)	(4,152)	(1.0)	(7,282)	(6,141)	18.6
Finance costs	5	(233)	(794)	(70.7)	(583)	(1,499)	(61.1)
Profit/ (Loss) before taxation	5	(426)	(1,569)	(72.8)	6,887	(2,218)	N.M.
Tax expense	6	(166)	(305)	(45.6)	(2,077)	(455)	N.M.
Profit/ (Loss) for the period		(592)	(1,874)	(68.4)	4,810	(2,673)	N.M.
Other comprehensive income/ (loss) after tax							
<i>Items that will not be subsequently reclassified to profit or loss</i>							
- Surplus on revaluation of buildings on leasehold land		232	709	(67.3)	232	709	(67.3)
- Financial asset at FVTOCI Fair value gain - equity investment		3,397	1,572	N.M.	3,397	1,572	N.M.
<i>Items that may be subsequently profit or loss</i>							
Foreign currency translation differences arising on consolidation of foreign operation		83	842	(90.1)	(25)	516	N.M.
Other comprehensive income for the year, net of tax		3,712	3,123	18.9	3,604	2,797	28.9
Total comprehensive income for the period		3,120	1,249	N.M.	8,414	124	N.M.

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



Condensed interim consolidated statement of profit or loss and other comprehensive income (Cont'd)

	Note	2H2021 US\$'000	2H2020 US\$'000	+ / (-) %	FY2021 US\$'000	FY2020 US\$'000	+ / (-) %
Profit/ (Loss) for the year attributable to:							
- Equity holders of the Company		(571)	(1,833)	(68.8)	4,827	(2,625)	N.M.
- Non-controlling interests		(21)	(41)	(48.8)	(17)	(48)	(64.6)
Total profit/ (loss) for the period		(592)	(1,874)	(68.4)	4,810	(2,673)	N.M.
Total comprehensive income/ (loss) attributable to:							
Equity holders of the Company		3,141	1,292	N.M.	8,431	174	N.M.
Non-controlling interests		(21)	(43)	(51.2)	(17)	(50)	(66.0)
Total comprehensive income/ (loss) for the period		3,120	1,249	N.M.	8,414	124	N.M.
Earning/ (Loss) per share attributable to equity holders of the Company							
Basic and diluted (cents)	7	(0.04)	(0.29)	(0.25)	0.39	(0.41)	N.M.

Notes:

2H denotes 6 months ended 31 December
 FY denotes 12 months ended 31 December
 N.M. denotes "Not Meaningful"
 + denotes "Increase"
 - denotes "Decrease"

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



Condensed interim statements of financial position

	Note	The Group		The Company	
		31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 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	9,824	5,910	-	-
Property, plant and equipment	10	12,666	13,132	12,596	13,056
Right-of-use assets		1,964	2,040	1,804	1,939
Deferred tax assets		47	91	-	-
		24,501	21,173	21,643	22,238
Current Assets					
Inventories		13,278	15,940	-	-
Trade receivables		17,746	30,223	-	-
Other receivables and deposits		1,443	1,514	7	34
Advances and prepayments		15,552	7,119	19	18
Amounts due from subsidiaries		-	-	4,786	3,706
Financial assets at fair value through profit or loss ("FVTPL")	11	248	141	-	-
Derivative financial instrument	12	368	368	368	368
Cash and bank balances		8,472	4,910	80	109
		57,107	60,215	5,260	4,235
Total assets		81,608	81,388	26,903	26,473
EQUITY					
Share capital	13	44,868	33,246	44,868	33,246
Other equity instruments	14	-	2,011	-	2,011
Reserves		(7,856)	(16,299)	(22,373)	(22,871)
Equity attributable to equity holders of the Company		37,012	18,958	22,495	12,386
Non-controlling interests		(38)	(29)	-	-
Total equity		36,974	18,929	22,495	12,386

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

Condensed interim statements of financial position (Cont'd)

	Note	The Group		The Company	
		31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
LIABILITIES					
Non-Current Liabilities					
Borrowings	15	1,922	2,707	-	-
Interest-free loan from a director	16	-	327	-	327
Lease liabilities		1,984	2,020	1,897	2,004
Deferred tax liabilities		2,219	1,614	1,111	1,135
		6,125	6,668	3,008	3,466
Current Liabilities					
Trade payables		19,942	37,665	40	43
Other payables and accruals		5,536	1,701	665	260
Advances from customers		7,445	5,013	-	-
Borrowings	15	2,617	10,530	-	9,613
Interest-free loan from a director	16	365	-	365	-
Loans from directors	17	749	240	264	-
Amounts due to a subsidiary		-	-	-	641
Lease liabilities		138	150	66	64
Income tax liabilities		1,717	492	-	-
		38,509	55,791	1,400	10,621
Total liabilities		44,634	62,459	4,408	14,087
Total equity and liabilities		81,608	81,388	26,903	26,473

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



Condensed interim consolidated statement of changes in equity

The Group	← Attributable to equity holders of the Company →								Discount paid on acquisition of non-controlling interests	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	US\$'000				
At 1 January 2020	33,246	2,011	(1,300)	10,258	773	-	(27,590)	1,386	18,784	14	18,798	
Total comprehensive income/ (loss) for the period	-	-	516	709	1,572	-	(2,623)	-	174	(50)	124	
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	7	7	
At 31 December 2020	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 (Notes 13 and 14)	11,622	(2,011)	-	-	-	-	12	-	9,623	-	9,623	
Total comprehensive income/ (loss) for the period	-	-	(25)	232	3,397	-	4,827	-	8,431	(17)	8,414	
Transfer to statutory reserve	-	-	-	-	-	460	(460)	-	-	-	-	
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	8	8	
At 31 December 2021	44,868	-	(809)	11,199	5,742	460	(25,834)	1,386	37,012	(38)	36,974	

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



Condensed interim consolidated statement of changes in equity (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 2020	33,246	2,011	(1,196)	10,258	(30,522)	13,797
Total comprehensive income/ (loss) for the period	-	-	34	709	(2,154)	(1,411)
At 31 December 2020	33,246	2,011	(1,162)	10,967	(32,676)	12,386
Issue of new shares by conversion of warrants (Notes 13 and 14)	11,622	(2,011)	-	-	12	9,623
Total comprehensive income/ (loss) for the period	-	-	(250)	232	504	486
At 31 December 2021	44,868	-	(1,412)	11,199	(32,160)	22,495

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

**Condensed interim consolidated statement of cash flows**

	Note	FY2021 US\$'000	FY2020 US\$'000
Cash Flows from Operating Activities			
Profit/ (Loss) before taxation		6,887	(2,218)
Adjustments for:			
Amortisation and depreciation		669	709
Bad debt written off		118	-
Dividend income from financial assets at FVTPL	5	(96)	(2)
Fair value gain from derivative asset at FVTPL		-	(133)
Fair value gain from derivative liability at FVTPL		-	(2)
Fair value (gains)/ losses from financial assets at FVTPL	5	(5,329)	2
Losses/ (Gains) on disposal of financial assets at FVTPL	5	871	(18)
Impairment loss on plant and equipment		-	636
Interest income	5	(14)	(26)
Interest expense	5	583	1,499
Inventories written off		37	-
Plant and equipment written off		-	20
Provision for expected loss allowances, net	5	22	2
Reversal of provision for restoration cost no longer required		-	(11)
(Reversal)/ Write-down of inventories, net	5	(137)	48
Foreign currency translation differences		253	520
Operating cashflow before working capital changes		3,864	1,026
Change in inventories		2,762	1,266
Change in trade and other receivables and deposits		12,408	(15,372)
Change in advances and prepayments		(8,433)	(952)
Change in trade and other payables and accruals		(13,888)	10,312
Change in advances from customers		2,432	(137)
Cash used in operations		(855)	(3,857)
Interest income received		14	26
Interest paid		(48)	(22)
Income tax paid		(810)	(6)
Net cash used in operating activities		(1,699)	(3,859)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(58)	(68)
Purchase of financial assets at FVTPL	11	(5,186)	(338)
Proceeds from disposal of financial assets at FVTPL		9,491	358
Dividend received		94	-
Net cash generated from/ (used in) investing activities		4,341	(48)

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

**Condensed interim consolidated statement of cash flows (Cont'd)**

	Note	FY2021 US\$'000	FY2020 US\$'000
Cash Flows from Financing Activities			
Capital contribution from non-controlling interest		8	7
Loans from directors		3,001	240
Repayment of loan to directors		(2,531)	-
Advances from related parties		6,615	-
Repayment to related parties		(6,615)	-
Proceeds from bank borrowings		2,574	3,581
Repayment of bank borrowings		(1,607)	(343)
Net proceeds from Warrants exercised		4,768	-
Net repayment of zero-coupon bonds		(4,825)	-
Repayment of principal portion of lease liabilities		(262)	(242)
Interest paid		(249)	(135)
Fixed deposits released		210	373
Net cash generated from financing activities		1,087	3,481
Net increase/ (decrease) in cash and cash equivalents		3,729	(426)
Effect of changes in currency translation		43	89
Cash and cash equivalents at beginning of period		4,700	5,037
Cash and cash equivalents at end of period	A	8,472	4,700

Note A:

The Group	FY2021 US\$'000	FY2020 US\$'000
Cash and cash equivalents, as above	8,472	4,700
Add: Fixed deposits pledged	-	210
Cash and bank balances per condensed statements of financial position	8,472	4,910

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 and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”) were authorised for issue by the Board of Directors on 24 February 2022.

2 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 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 since the last interim financial statements for the six-month period ended 30 June 2021. Accordingly, this condensed interim financial statements should be read together with Company’s condensed interim financial statements for the six-month period ended 30 June 2021.

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 31 December 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
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>
Amendment to SFRS(I) 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

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	
	2H2021 US\$'000	2H2020 US\$'000								
Sales to external customers	372,983	222,955	678	298	-	-	-	-	373,661	223,253
Segment revenue	372,983	222,955	678	298	-	-	-	-	373,661	223,253
Segment results										
EBITDA/ (LBITDA)*	(67)	(393)	248	546	(18)	(2)	(17)	(573)	146	(422)
Depreciation and amortisation	(41)	(83)	(308)	(282)	-	-	-	-	(349)	(365)
Interest income	10	12	-	-	-	-	-	-	10	12
Interest expenses	(160)	(93)	(52)	(57)	-	-	(21)	(644)	(233)	(794)
Profit/ (Loss) before taxation	(258)	(557)	(112)	207	(18)	(2)	(38)	(1,217)	(426)	(1,569)
Tax expense	(164)	(305)	-	-	(6)	-	4	-	(166)	(305)
Profit/ (Loss) for the period	(422)	(862)	(112)	207	(24)	(2)	(34)	(1,217)	(592)	(1,874)
Other material items:										
Commission expenses	(241)	(23)	-	-	-	-	-	-	(241)	(23)
Demurrage	(641)	(295)	-	-	-	-	-	-	(641)	(295)
Fair value gains/(losses) from financial assets at FVTPL	1,353	-	-	-	(17)	6	-	-	1,336	6
Impairment of plant and equipment	-	(636)	-	-	-	-	-	-	-	(636)
Loss on contract cancellation	-	(499)	-	-	-	-	-	-	-	(499)
Losses/ (Gains) on disposal of financial assets at FVTPL	(900)	-	-	-	3	18	-	-	(897)	18
Short-term leases	(1,348)	(1,293)	(6)	(3)	-	-	-	-	(1,354)	(1,296)

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

	Chemicals		Printing related		Investment		Unallocated		Consolidated	
	FY2021	FY2020	FY2021	FY2020 (Restated)	FY2021	FY2020	FY2021	FY2020 (Restated)	FY2021	FY2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales to external customers	713,141	410,534	1,058	613	-	-	-	-	714,199	411,147
Segment revenue	713,141	410,534	1,058	613	-	-	-	-	714,199	411,147
Segment results										
EBITDA/ (LBITDA)*	8,576	324	314	541	62	(23)	(827)	(878)	8,125	(36)
Depreciation and amortisation	(82)	(157)	(587)	(552)	-	-	-	-	(669)	(709)
Interest income	14	26	-	-	-	-	-	-	14	26
Interest expenses	(325)	(158)	(105)	(106)	-	-	(153)	(1,235)	(583)	(1,499)
Profit/ (Loss) before taxation	8,183	35	(378)	(117)	62	(23)	(980)	(2,113)	6,887	(2,218)
Tax expense	(1,808)	(455)	-	-	(6)	-	(263)	-	(2,077)	(455)
Profit/ (Loss) for the period	6,375	(420)	(378)	(117)	56	(23)	(1,243)	(2,113)	4,810	(2,673)
Other material items:										
Commission expenses	(1,350)	(65)	-	-	-	-	-	-	(1,350)	(65)
Demurrage	(718)	(352)	-	-	-	-	-	-	(718)	(352)
Fair value gains/(losses) from financial assets at FVTPL	5,285	-	-	-	44	(2)	-	-	5,329	(2)
Impairment of plant and equipment	-	(636)	-	-	-	-	-	-	-	(636)
Loss on contract cancellation	-	(499)	-	-	-	-	-	-	-	(499)
Losses/ (Gains) on disposal of financial assets at FVTPL	(900)	-	-	-	29	18	-	-	(871)	18
Short-term leases	(2,270)	(2,319)	(10)	(7)	-	-	-	-	(2,280)	(2,326)



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 31 December 2021 and 31 December 2020 are as follows:

	Chemicals		Printing related		Investment		Elimination		Consolidated	
	31 December 2021 US\$'000	31 December 2020 US\$'000								
Segment assets	57,604	60,205	27,053	26,583	10,165	6,457	(13,261)	(11,948)	81,561	81,297
Deferred tax assets	47	91	-	-	-	-	-	-	47	91
Consolidated total assets	57,651	60,296	27,053	26,583	10,165	6,457	(13,261)	(11,948)	81,608	81,388
Segment liabilities	35,105	44,441	3,602	3,932	3,141	3,628	(6,804)	(5,452)	35,044	46,549
Interest free loan from a director		-	365	327	-	-	-	-	365	327
Loans from directors	486	240	264	-	-	-	-	-	750	240
Borrowings	4,539	3,624	-	9,613	-	-	-	-	4,539	13,237
Income tax liabilities	1,712	492	-	-	5	-	-	-	1,717	492
Deferred tax liabilities	-	-	1,112	1,135	1,107	479	-	-	2,219	1,614
Consolidated total liabilities	41,842	48,797	5,343	15,007	4,253	4,107	(6,804)	(5,452)	44,634	62,459
Capital expenditure	2	68	56	-	-	-	-	-	58	68
Investment in financial asset at FVTPL	4,597	-	-	-	591	338	-	-	5,188	338



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

4.2 Disaggregation of revenue

	2H2021	2H2020	FY2021	FY2020
	US\$'000	US\$'000	US\$'000	US\$'000
The Group				
Chemicals	372,983	222,955	713,141	410,534
Printing related	678	298	1,058	613
	373,661	223,253	714,199	411,147

A breakdown of sales:

	FY2021	FY2020	+ / (-)
	US\$'000	US\$'000	%
The Group			
Sales reported for the first half year	340,538	187,894	81.2
Profit/ (Loss) after tax before deducting non-controlling interests reported for the first half year	5,402	(799)	N.M.
Sales reported for the second half year	373,661	223,253	67.4
Profit/ (Loss) after tax before deducting non-controlling interests reported for the second half year	(592)	(1,874)	(68.4)

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
	At point in	Over	At point in	Over	
	time	time	time	time	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2H2021					
- PRC	249,099	-	-	-	249,099
- Japan	16,511	-	-	-	16,511
- Taiwan	18,691	-	-	-	18,691
- Singapore	8,416	-	492	186	9,094
- Indonesia	10,085	-	-	-	10,085
- India	3,774	-	-	-	3,774
- Thailand	8,310	-	-	-	8,310
- Other countries in Asia	25,524	-	-	-	25,524
- Others	32,573	-	-	-	32,573
	372,983		492	186	373,661
2H2020					
- PRC	150,200	-	-	-	150,200
- Japan	10,665	-	-	-	10,665
- Taiwan	9,024	-	-	-	9,024
- Singapore	21,770	-	157	141	22,068
- Indonesia	8,608	-	-	-	8,608
- India	1,373	-	-	-	1,373
- Thailand	5,960	-	-	-	5,960
- Other countries in Asia	13,308	-	-	-	13,308
- Others	2,047	-	-	-	2,047
	222,955	-	157	141	223,253



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

4.2 Disaggregation of revenue (Cont'd)

	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	
FY2021					
- PRC	468,624	-	-	-	468,624
- Japan	47,788	-	-	-	47,788
- Taiwan	31,184	-	-	-	31,184
- Singapore	25,036	-	718	340	26,094
- Indonesia	22,542	-	-	-	22,542
- India	18,296	-	-	-	18,296
- Thailand	14,782	-	-	-	14,782
- Other countries in Asia	39,787	-	-	-	39,787
- Others	45,102	-	-	-	45,102
	713,141	-	718	340	714,199
FY2020					
- PRC	281,618	-	-	-	281,618
- Japan	14,228	-	-	-	14,228
- Taiwan	20,971	-	-	-	20,971
- Singapore	26,484	-	302	311	27,097
- Indonesia	21,237	-	-	-	21,237
- India	1,699	-	-	-	1,699
- Thailand	15,515	-	-	-	15,515
- Other countries in Asia	23,742	-	-	-	23,742
- Others	5,040	-	-	-	5,040
	410,534	-	302	311	411,147

Certain numbers under "Chemicals" revenue have been restated for better presentation. The effect of the reclassification is as follow:

	As previously reported US\$'000	As restated US\$'000	Increase/ (Decrease)
Chemicals - At point in time			
HY2021			
- Thailand	-	6,472	6,472
- Others	19,001	12,529	(6,472)
HY2020			
- PRC	127,565	131,418	3,853
- Thailand	-	9,555	9,555
- Others	16,401	2,993	(13,408)
FY2020			
- India	-	1,699	1,699
- Other countries in Asia	25,441	23,742	(1,699)



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	2H2021 US\$'000	2H2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
Other income				
Dividend income from financial assets at FVTPL	-	-	96	2
Exchange gain, net	412	1,136	539	1,136
Fair value gain from derivative asset at FVTPL	-	133	-	133
Fair value gain from derivative liability at FVTPL	-	2	-	2
Fair value gains/ (losses) from financial assets at FVTPL	1,336	6	5,329	(2)
Gain/ (Loss) on disposal of financial assets at FVTPL	(897)	18	(871)	18
Government grants	8	115	108	169
Interest income	10	12	14	26
Income from subleasing	10	11	20	29
Realised gain from futures contract	-	(80)	-	-
Reversal of inventories write-down, net	118	-	137	-
Provision for expected loss allowance, net	-	(2)	-	(2)
Others	59	35	72	63
Sub-total	1,056	1,386	5,444	1,574
Other expenses				
Bank charges	(203)	(183)	(410)	(336)
Bad debt written off	(118)	-	(118)	-
Commission expense	(241)	(23)	(1,350)	(65)
Demurrage	(641)	(295)	(718)	(352)
Directors' fee	(37)	(37)	(74)	(72)
Entertainment expense	(178)	(111)	(269)	(201)
Exchange loss, net	-	64	-	-
Impairment loss on plant and equipment	-	(636)	-	(636)
Insurance expenses	(27)	(28)	(51)	(103)
Legal and professional fee	(452)	(103)	(571)	(202)
Inventory written off	(37)	-	(37)	-
Loss on contract cancellation	-	(499)	-	(499)
Property tax	(45)	(32)	(90)	(61)
Provision for expected loss allowance, net	(22)	-	(22)	-
Realised and unrealised loss from futures contract	(46)	(201)	(112)	(201)
Repair and maintenance	(16)	(16)	(32)	(62)
Security fee	(39)	(39)	(78)	(79)
Short-term leases	(1,354)	(1,296)	(2,280)	(2,326)
Surveyor fees	(40)	(76)	(97)	(114)
Travel expenses	(42)	(49)	(84)	(93)
Write-down of inventories, net	-	(48)	-	(48)
Others	(610)	(544)	(889)	(691)
Sub-total	(4,148)	(4,152)	(7,282)	(6,141)

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

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

The Group	2H2021 US\$'000	2H2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
Finance costs				
Non-cash interest expenses on zero-coupon bonds	-	(631)	(112)	(1,204)
Non-cash interest expenses on lease liabilities	(52)	(54)	(106)	(107)
Non-cash interest expenses on an interest-free loan from a director	(19)	(16)	(37)	(31)
Interest expenses on loan from directors	(22)	(10)	(43)	(10)
Interest expenses on advances from related parties	(4)	-	(34)	-
Interest expenses on bank borrowings	(82)	(54)	(141)	(55)
Others	(54)	(29)	(110)	(92)
Sub-total	(233)	(794)	(583)	(1,499)

6 Income tax recognised in profit or loss

The Group	2H2021 US\$'000	2H2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
Current tax expense				
- Current year	1,120	315	1,794	465
- Over provision in prior year	-	-	(13)	-
- (Reversal of)/ Tax losses carry forward used				
In group relief	(4)	-	263	-
- Tax refund under Loss Carry-Back Relief Scheme	(12)	-	(12)	-
Deferred taxation				
- Current year	(938)	(10)	45	(10)
Tax expense	166	305	2,077	455

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

The Group	2H2021 US\$'000	2H2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
Net profit/ (loss) attributable to equity holders of the Company (US\$'000)	(571)	(1,833)	4,827	(2,625)
Weighted average number of ordinary shares ('000)	1,281,689 ^(c)	642,750	1,232,674 ^(c)	642,750
Basic/ Diluted earning/ (loss) per ordinary share (cents)	(0.04) ^(a)	(0.29) ^{(a)(b)}	0.39 ^(a)	(0.41) ^{(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 31 December 2021 and 31 December 2020 as it is anti-dilutive.

(c) 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. 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.



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

8 Net asset value per ordinary share

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net asset value per ordinary share (US Cents)	2.88	2.95	1.76	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 12.74% (31 December 2020: 18.18%) of the enlarged share capital of Shanghai Sunrise Polymer Material Co., Ltd ("Sunrise"). Sunrise issued new shares for cash to certain investors during the financial year which resulted in the dilution of the Group's shareholding from 18.18% to 12.74%.

The fair value of the financial asset at FVTOCI has been determined by an independent professional valuer as at reporting year end date. The changes in its fair value gain (net of tax) of US\$2,978,000 (31 December 2020: US\$1,572,000) have been recognised in other comprehensive income for the year ended 31 December 2021.

The fair value is determined based on Prior Transaction Method under the market approach. This is based on the recent transaction involving the issuance of 13,212,311 new subscription shares in Sunrise at RMB6.81 per share to certain investors on 9 September 2021.



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	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	-	8	-	-	50	58
Elimination of accumulated depreciation on revaluation	(456)	-	-	-	-	(456)
Revaluation surplus	232	-	-	-	-	232
Write off	-	(7)	-	-	-	(7)
Currency translation differences	(261)	(5)	16	1	-	(249)
At 31 December 2021	12,377	93	951	71	58	13,550
Accumulated depreciation and impairment loss:						
At 1 January 2021	-	57	726	49	8	840
Depreciation	456	9	20	2	3	490
Elimination of accumulated depreciation on revaluation	(456)	-	-	-	-	(456)
Write off	-	(7)	-	-	-	(7)
Currency translation differences	-	(1)	17	1	-	17
At 31 December 2021	-	58	763	52	11	884
Net book value:						
At 31 December 2021	12,377	35	188	19	47	12,666



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	Motor vehicles US\$'000	Total US\$'000
Cost or valuation:	At valuation	At cost				
At 1 January 2021	12,862	3	203	22	-	13,090
Additions	-	6	-	-	50	56
Elimination of accumulated depreciation on revaluation	(456)	-	-	-	-	(456)
Revaluation surplus	232	-	-	-	-	232
Currency translation differences	(261)	-	(4)	(1)	-	(266)
At 31 December 2021	12,377	9	199	21	50	12,656
Accumulated depreciation and impairment loss:						
At 1 January 2021	-	1	30	3	-	34
Depreciation	456	2	20	2	3	483
Elimination of accumulated depreciation on revaluation	(456)	-	-	-	-	(456)
Currency translation differences	-	-	(1)	-	-	(1)
At 31 December 2021	-	3	49	5	3	60
Net book value:						
At 31 December 2021	12,377	6	150	16	47	12,596

Security

As at 31 December 2021, buildings on leasehold land of the Group and the Company with total net carrying amount of approximately US\$12,377,000 (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 ("OSC").

**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 31 December 2021 consists mainly of buildings on leasehold land of US\$12,377,000, 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.

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 31 December 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	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
Held for trading				
<u>Quoted equity investments:</u>				
At beginning of year	141	141	-	-
Additions	5,188	338	-	-
Disposals	(10,362)	(340)	-	-
Fair value gain/ (loss) recognised in profit or loss (Note 5)	5,329	(2)	-	-
Currency translation differences	(48)	4	-	-
At end of the reporting period	248	141	-	-

Included in the total additions of US\$5,188,000 consists of US\$2,000 in the form of scrip dividend and cash purchase of financial asset at fair value through profit or loss of US\$5,186,000.

The total additions included the investment in 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 was listed on the stock exchange of Shanghai during 1H2021 for US\$4.6 million. It was subsequently disposed of by the Group during 2H2021 for US\$9.0 million at a total gain of US\$4.4 million.

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

	31 December 2021 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% equity interest in the shares of Zhangjiagang Orient-Hill (the “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 40% of the 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.

13 Share capital

	No. of shares		Amount	
	31 December 2021 '000	31 December 2020 '000	31 December 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	-
Reclassification from Other Equity Instruments upon exercise of Warrants (Note 14)	-	-	1,999	-
At end of year	1,281,689	642,750	44,868	33,246

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.

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

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

	31 December 2021	31 December 2020
	US\$'000	US\$'000
The Group and The Company		
Warrants - At beginning of year	2,011	2,011
Reclassified to share capital upon exercise of Warrants	(1,999)	-
Reclassified to retained earnings relating to unexercised Warrants that have lapsed and expired during the year	(12)	-
Warrants - At end of the reporting period	-	2,011

On 31 January 2017, the Company undertook the 2017 Rights Issue and issued an aggregate of S\$12,855,000 in principal amount of Bonds with 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 Notes 7 and 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 have lapsed and ceased to be valid for any purpose. The unexercised Warrants had been de-listed from the Official List of the SGX-ST after their expiry date. When the Warrants are exercised, the related balance in the Other Equity Instrument is reclassified to the share capital account. At the expiry of the Warrants, the balance in the Other Equity Instrument is reclassified to retained earnings. The reclassification of Other Equity Instrument has been accounted for under SFRS(I) 1-32.

15 Borrowings

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable after one year					
Bank borrowing (secured)		1,922	2,707	-	-
Amount repayable in one year or less, or on demand					
Bank borrowings (secured)		2,617	917	-	-
Bond payables (unsecured)	(a)	-	9,613	-	9,613
		2,617	10,530	-	9,613
Total		4,539	13,237	-	9,613



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

15 Borrowings (Cont'd)

Note:

- (a) The book value of the Bonds (as defined in Note 7(b) issued on 31 January 2017 pursuant to the 2017 Rights Issue. The maximum redemption amount at maturity date is S\$12,855,000. During FY2021, the Bonds have been fully settled on the maturity date from the exercise proceeds of the Warrants and internal resources. Refer to Notes 13 and 14.

Details of any collaterals

As at 31 December 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% of the Subsidiary Shares 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).

17 Loans from directors

	The Group		The Company	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
Mr Shi Jiangang	485	240	-	-
Mr Sam Kok Yin	264	-	264	-
Total	749	240	264	-

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 due during the current financial year of US\$79,000 and US\$157,000 were subsequently extended for another one year to 24 March 2022 and 20 April 2022 respectively.

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.



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

18 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	FY2021 US\$'000	FY2020 US\$'000
Loan from directors	3,001	240
Advances from related parties	6,615	-
Interest expenses on loan from directors	(43)	(10)
Interest expenses on advances from related parties	(34)	-
Non-cash interest expenses on an interest-free loan from a director	(37)	(31)
Sales to related parties	-	19,868
Purchases from related parties	(251)	(33,201)
Rental of office space	(116)	(109)
Rental of factory	(23)	(22)
Rental of vehicles	(55)	(67)

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).

**Notes to the condensed interim financial statements (Cont'd)****19 Fair values measurement (Cont'd)**

The Group	Note	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
31 December 2021					
<u>Non-financial assets</u>					
Buildings on leasehold land	10	-	-	12,377	12,377
<u>Financial assets</u>					
Financial asset at FVTOCI	9	-	-	9,824	9,824
Financial assets at FVTPL	11	248	-	-	248
Derivative financial instruments	12	-	-	368	368
<u>Financial liabilities</u>					
Bank loans	15	-	(1,922)	-	(1,922)
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 loans	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 31 December 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.

**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	11,622
As at 31 December 2021	<u>1,281,689</u>	<u>44,868</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 unexercised Warrants had been de-listed from the Official List of the SGX-ST after their expiry date.

Summary of Outstanding Convertibles

As at 31 December 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 31 December 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 31 December 2021 and 31 December 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 31 December 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 31 December 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\$302.6 million from US\$410.5 million in FY2020 to US\$713.1 million in FY2021, 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\$289.0 million from US\$393.6 million in FY2020 to US\$682.6 million in FY2021. Print and paper management revenue increased by US\$0.4 million from US\$0.6 million in FY2020 to US\$1.0 million in FY2021.

Other income increased by US\$3.8 million from US\$1.6 million in FY2020 to US\$5.4 million in FY2021 which was due mainly to the net investment gains from financial assets at FVTPL offset with lower exchange gains as compared to the same period last year.

Employee benefits expenses increased by US\$3.2 million from US\$2.8 million in FY2020 to US\$6.0 million in FY2021 which was mainly to higher performance bonuses provided for FY2021 in view of the significant improvement in the Group's financial performance.

Freight and handling charges increased by US\$5.4 million from US\$10.2 million in FY2020 to US\$15.6 million in FY2021 which was due mainly to the increase 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\$1.2 million from US\$6.1 million in FY2020 to US\$7.3 million in FY2021 which was due mainly to increased commission expenses paid to third parties in relation to chemical sales.

Finance costs decreased by US\$0.9 million from US\$1.5 million in FY2020 to US\$0.6 million in FY2021 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 increased by US\$1.6 million from US\$0.5 million in FY2020 to US\$2.1 million in FY2021 which was due mainly to the income taxes provided for profitable subsidiaries.

The Group reported earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") of US\$8.1 million in FY2021 as compared to losses before interest, taxes, depreciation and amortisation ("**LBITDA**") of US\$36,000 in FY2020. The significant improvement is mainly attributable to the substantially higher chemical product margin spreads and net investment gains on financial assets at FVTPL offset by higher freight cost, employee benefits expenses and commission expenses.

The Group reported profit after tax of US\$4.8 million in FY2021 as compared to loss after tax of US\$2.7 million in FY2020. The notable improvement is mainly attributable to the substantially higher chemical product margin spreads, net investment gains on financial assets at FVTPL, 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

Financial assets at FVTOCI represents the Group's shareholding of 12.74% in the registered capital of Shanghai Sunrise Polymer Material Co., Ltd. ("**Sunrise**") and a fair value upward adjustment based on a valuation performed by an independent professional valuer. The increased in fair value were due mainly to the new subscription of shares at RMB6.81 per share by a new third-party investor in Sunrise which was completed on September 2021 and is in anticipation of better financial performance on Sunrise in future.

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 31 December 2021 which was due mainly to depreciation charge for the reporting period.

Inventories decreased by US\$2.6 million from US\$15.9 million as at 31 December 2020 to US\$13.3 million as at 31 December 2021 which was due mainly to more sales during last quarter of FY2021.

Trade receivables decreased significantly by US\$12.5 million from US\$30.2 million as at 31 December 2020 to US\$17.7 million as at 31 December 2021 which was mainly due to the collection effort made by the sales team and more sales being arranged on advance payment terms in December 2021. The Group's average debtor turnover days had improved by 8 days from 20 days as at 31 December 2020 to 12 days as at 31 December 2021.

Advances and prepayments increased by US\$8.5 million from US\$7.1 million as at 31 December 2020 to US\$15.6 million as at 31 December 2021 which was due mainly to more 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\$1.1 million from US\$3.7 million as at 31 December 2020 to US\$4.8 million as at 31 December 2021 which was due to repayment of loans and trade balances received from subsidiaries during the reporting period offset by dividend receivables from a subsidiary.

Cash and bank balances increased by US\$3.6 million from US\$4.9 million as at 31 December 2020 to US\$8.5 million as at 31 December 2021 which was due mainly to loan proceeds of US\$2.6 million, proceeds from disposal of financial assets at FVTPL of US\$9.5 million, offset by cash used for operation of US\$1.7 million, repayment of loan US\$1.6 million and the US\$5.2 million cash investment in financial assets at FVTPL.

Trade payables decreased by US\$17.8 million from US\$37.7 million as at 31 December 2020 to US\$19.9 million as at 31 December 2021 which was due mainly to prompt settlement of amount owing to creditors and more purchases were arranged on advance payment term towards year end.

Other payables and accruals increased by US\$3.8 million from US\$1.7 million as at 31 December 2020 to US\$5.5 million as at 31 December 2021 which was due mainly to performance bonus accrued based on profitable result and increase in accrued freight charges as compared to the same period last year.

Advances from customers increased by US\$2.4 million from US\$5.0 million as at 31 December 2020 to US\$7.4 million as at 31 December 2021 which was due mainly to more chemical sales being arranged under advance payment term.

Borrowings decreased by US\$8.7 million from US\$13.2 million as at 31 December 2020 to US\$4.5 million as at 31 December 2021 which was due mainly to the redemption of the Bonds that matured on 30 January 2021 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.



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Review of statement of cashflow

Net cash used in operating activities of US\$1.7 million was due mainly to operating cash flows before changes in working capital of US\$3.9 million, offset by net working capital outflows of S\$4.7 million and income tax paid of US\$0.8 million.

Net cash generated from investing activities of US\$4.3 million in FY2021 was due mainly to the cash investment in financial assets at FVTPL of US\$5.2 million and proceeds received from disposal of financial assets at FVTPL of US\$9.5 million.

Net cash generated from financing activities of US\$1.0 million in FY2021 was due mainly to net bank borrowings of US\$1.0 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\$713.1 million, with profit after tax of US\$6.4 million (including a total investment gains of US\$4.4 million less US\$1.0 million corresponding income tax expense from an investment in Jiangsu Sopo, as mentioned below). Excluding the net investment gains, the profit after tax of the OSC Group derived from its core chemical trading business was US\$3.0 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 types as compared to the same period last year.

The Company's joint venture company, Zhangjiagang Orient-Hill recorded US\$66,000 in revenue, with a loss after tax of US\$445,000 during FY2021. 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. ("**Sunrise**") in FY2019 for RMB20 million. Sunrise was incorporated in the PRC and specialises in the production of specialty chemicals used mainly for construction, for surface care, oxythelen derivatives and also for use in the production of lithium batteries. Sunrise together with its subsidiaries recorded a profit of US\$0.5 million for FY2021. Arising to dilution from several issue of new shares by Sunrise, the Group's shareholding in Sunrise was reduced to 12.74% as at 31 December 2021. The fair value of this equity stake has been determined by an independent professional valuer to be approximately US\$9.8 million as at 31 December 2021.

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 moratorium period in respect of such shares ceased in October 2021, and we have subsequently sold the shares for a net gain of approximately US\$3.4 million.



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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
- strengthen our core chemical trading business.

Investment Business

As at 31 December 2021, the Group's investment portfolio (excluding the 12.74% equity interest in Sunrise) consisting of cash and listed equities, amounted to US\$323,000.

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\$1,058,000 of revenue for FY2021.

9 If a decision regarding dividend has been made:

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

Yes (final).

(b) (i) Amount per share cents.

S\$0.0005 (0.05 of a Singapore cent) per ordinary share

(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).

Tax exempt

(d) The date the dividend is payable.

Subject to approval by shareholders at the next Annual General Meeting and to be announced at a later date.

(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.

Subject to approval by shareholders at the next Annual General Meeting and to be announced at a later date.



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

Not applicable.

- 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.

The interested person transactions entered into during the FY2021 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		S\$'000	S\$'000
Shanghai Orient-Salt Chemicals Co., Ltd (上海东盐化工有限公司) - Rental of office	A company owned by Mr Jiang Hao, a Director of the Company	156	-

- 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 Disclosure on Acquisitions and Realisation of Shares pursuant to Catalist Rule 706(A)**

Not applicable. There was no acquisition or sales of shares by the Company which would require announcement in accordance with Rule 706A of the Catalist Rules, nor any incorporation of any new subsidiary or associated company by the Company or any of the Group's entities, during FY2021.

- 14 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertakings from all its Directors and Executive Officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Catalist Rules.



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

Please refer to Note 4 in condensed interim financial statements and Note 6 in Other Information Required by Listing Rule Appendix 7.2.

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

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current Position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Jiang Jie	50	Brother of Jiang Hao, a substantial shareholder and Director	Director of Touen Japan Co., Ltd. (東塩ジャパン株式会社) Date of appointment: 26 October 2015	Nil

BY ORDER OF THE BOARD

Sam Kok Yin
Managing Director
24 February 2022