



Abundance International Limited

Condensed Interim Financial statements for the six-month period ended 30 June 2022

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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 2022 (“HY2022”) and 2021 (“HY2021”)

	Note	HY2022 US\$'000	HY2021 US\$'000	Increase/ (Decrease) %
Revenue	4	303,947	340,538	(10.7)
Other income	5	524	4,388	(88.1)
Total revenue		304,471	344,926	(11.7)
Expenses				
Changes in inventories of finished goods and goods in transit		(287,378)	(324,756)	(11.5)
Employee benefits expenses		(1,788)	(2,413)	(25.9)
Amortisation of right-of-use assets		(81)	(92)	(12.0)
Depreciation of property, plant and equipment		(250)	(228)	9.7
Freight and handling charges		(9,675)	(6,640)	45.7
Other expenses	5	(3,508)	(3,134)	11.9
Finance costs	5	(207)	(350)	(40.9)
Profit before taxation	5	1,584	7,313	(78.3)
Tax expense	6	(604)	(1,911)	(68.4)
Profit for the period		980	5,402	(81.9)
Other comprehensive (loss)/ income after tax				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation differences arising on consolidation of foreign operation		(1,314)	(108)	N.M.
Total comprehensive (loss)/ income for the period		(334)	5,294	N.M.
Profit for the year attributable to:				
- Equity holders of the Company		980	5,398	(81.8)
- Non-controlling interests		-	4	N.M.
Total profit for the period		980	5,402	(81.9)
Total comprehensive (loss)/ income attributable to:				
- Equity holders of the Company		(337)	5,290	N.M.
- Non-controlling interests		3	4	(25.0)
Total comprehensive (loss)/ income for the period		(334)	5,294	N.M.
Earning per share attributable to equity holders of the Company				
Basic and diluted (cents)	7	0.08	0.46	(82.6)

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 2022 and 31 December 2021**

		The Group		The Company	
		30	31	30	31
		June	December	June	December
		2022	2021	2022	2021
	Note	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current Assets					
Subsidiaries		-	-	7,243	7,243
Financial asset at fair value through other comprehensive income ("FVTOCI")	9	9,529	9,824	-	-
Property, plant and equipment	10	12,059	12,666	11,994	12,596
Right-of-use assets		1,808	1,964	1,704	1,804
Deferred tax assets		45	47	-	-
		23,441	24,501	20,941	21,643
Current Assets					
Inventories		16,487	13,278	-	-
Trade receivables		14,850	15,911	-	-
Other receivables and deposits		1,039	1,448	104	7
Advances and prepayments		13,485	15,552	5	19
Amounts due from subsidiaries		-	-	3,121	4,786
Financial assets at fair value through profit or loss ("FVTPL")		603	248	-	-
Derivative asset	11	-	368	-	368
Cash and bank balances		9,664	8,472	57	80
		56,128	55,277	3,287	5,260
Total assets		79,569	79,778	24,228	26,903
EQUITY					
Share capital	12	44,868	44,868	44,868	44,868
Reserves		(8,655)	(7,856)	(23,888)	(22,373)
Equity attributable to equity holders of the Company		36,213	37,012	20,980	22,495
Non-controlling interests		(35)	(38)	-	-
Total equity		36,178	36,974	20,980	22,495

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



**Condensed interim statements of financial position
as at 30 June 2022 and 31 December 2021 (Cont'd)**

		The Group		The Company	
		30 June 2022 US\$'000	31 December 2021 US\$'000	30 June 2022 US\$'000	31 December 2021 US\$'000
Note					
LIABILITIES					
Non-current Liabilities					
Borrowings	14	1,503	1,922	-	-
Lease liabilities		1,849	1,984	1,811	1,897
Deferred tax liabilities		2,152	2,219	1,078	1,111
		5,504	6,125	2,889	3,008
Current Liabilities					
Trade payables		22,441	18,112	38	40
Other payables and accruals		5,199	5,536	260	665
Advances from customers		6,001	7,445	-	-
Borrowings	14	2,510	2,617	-	-
Interest-free loan from a director	15	-	365	-	365
Loans from directors	16	474	749	-	264
Lease liabilities		124	138	61	66
Income tax liabilities		1,138	1,717	-	-
		37,887	36,679	359	1,400
Total liabilities		43,391	42,804	3,248	4,408
Total equity and liabilities		79,569	79,778	24,228	26,903

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 2022 and 2021

The Group	Attributable to equity holders of the Company								Discount paid on acquisition of non-controlling interests	Non-controlling interests	Total equity
	Share capital	Other equity instruments	Translation reserve	Asset revaluation reserve	Fair value reserve	Statutory reserve	Accumulated losses				
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
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 13)	-	-	-	-	-	-	(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
At 1 January 2021	33,246	2,011	(784)	10,967	2,345	-	(30,213)	1,386	18,958	(29)	18,929
Issue of new shares	9,623	-	-	-	-	-	-	-	9,623	-	9,623
Conversion of warrants	1,999	(2,011)	-	-	-	-	12	-	-	-	-
Total comprehensive income/ (loss) for the period	-	-	(108)	-	-	-	5,398	-	5,290	4	5,294
Transfer to statutory reserve	-	-	-	-	-	181	(181)	-	-	-	-
At 30 June 2021	44,868	-	(892)	10,967	2,345	181	(24,984)	1,386	33,871	(25)	33,846

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 2022 and 2021 (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 2022	44,868	-	(1,412)	11,199	(32,160)	22,495
Final dividend paid (Note 13)	-	-	-	-	(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
At 1 January 2021	33,246	2,011	(1,162)	10,967	(32,676)	12,386
Issue of new shares	9,623	-	-	-	-	9,623
Conversion of warrants	1,999	(2,011)	-	-	12	-
Total comprehensive loss for the period	-	-	(195)	-	(1,297)	(1,492)
At 30 June 2021	44,868	-	(1,357)	10,967	(33,961)	20,517

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 2022 and 2021

	Note	HY2022 US\$'000	HY2021 US\$'000
Cash Flows from Operating Activities			
Profit before taxation		1,584	7,313
Adjustments for:			
Amortisation and depreciation		331	320
Dividend income from financial assets at FVTPL	5, A	(11)	(96)
Fair value losses/ (gains) from financial assets at FVTPL	5	51	(3,993)
Gains on disposal of financial assets at FVTPL	5	(9)	(26)
Interest income	5	(12)	(4)
Interest expense	5	207	350
Expected loss allowances		185	-
Inventories write-down/ (Reversal of inventories write-down), net	5	615	(19)
Unrealised loss from futures contract		16	60
Foreign currency translation differences		(901)	9
Operating cashflow before working capital changes		2,056	3,914
Change in inventories		(3,824)	(5,856)
Change in trade and other receivables and deposits		1,269	2,310
Change in advances and prepayments		2,067	1,610
Change in trade and other payables and accruals		3,992	(4,798)
Change in advances from customers		(1,444)	6,097
Cash generated from operations		4,116	3,277
Interest income received		12	4
Interest paid		(16)	(27)
Income tax paid		(1,152)	(755)
Net cash generated from operating activities		2,960	2,499
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	10	(24)	(51)
Purchase of financial assets at FVTPL		(588)	(4,982)
Proceeds from disposal of financial assets at FVTPL		173	482
Dividend received	A	9	94
Net cash used in investing activities		(430)	(4,457)

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 2022 and 2021 (Cont'd)**

	Note	HY2022 US\$'000	HY2021 US\$'000
Cash Flows from Financing Activities			
Loans from directors		-	2,869
Repayment of loan to directors		(264)	(1,264)
Advances from a related party		-	6,600
Repayment to a related party		-	(5,300)
Proceeds from bank borrowings		618	1,855
Repayment of bank borrowings		(976)	(542)
Issuance of shares		-	9,623
Repayment of zero-coupon bonds		-	(9,680)
Repayment of principal portion of lease liabilities		(116)	(130)
Final dividend paid to equity holders of the Company		(462)	-
Interest paid		(131)	(103)
Fixed deposits (pledged)/ released	B	(500)	210
Net cash (used in)/ generated from financing activities		(1,831)	4,138
Net increase in cash and cash equivalents		699	2,180
Effect of changes in currency translation		(7)	10
Cash and cash equivalents at beginning of period		8,472	4,700
Cash and cash equivalents at end of period	C	9,164	6,890

Notes:

- A: US\$2,000 out of the total dividend income from financial assets at FVTPL of US\$11,000 was in the form of scrip dividend. The actual cash dividend received was US\$9,000.
- B: 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:

	HY2022 US\$'000	HY2021 US\$'000
Cash and cash equivalents, as above	9,164	6,890
Add: Fixed deposits pledged	500	-
	9,664	6,890



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 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”) were authorised for issue by the Board of Directors on 11 August 2022.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 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 2021. Accordingly, this condensed interim financial statements should be read together with Company’s consolidated financial statements for the year ended 31 December 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 30 June 2022 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.



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

2.1 Adoption of new and revised SFRS(I) effective in 2022

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) 3	<i>Reference to the Conceptual Framework</i>
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>
Amendments to SFRS(I) 1-37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Annual Improvements to SFRS(I)s 2018 - 2020	

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.

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 2021.

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
	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sales to external customers	303,608	340,158	339	380	-	-	-	-	303,947	340,538
Segment revenue	303,608	340,158	339	380	-	-	-	-	303,947	340,538
Segment results										
EBITDA/ (LBITDA)*	2,474	8,643	45	66	(23)	80	(386)	(810)	2,110	7,979
Depreciation and amortisation	(36)	(41)	(295)	(279)	-	-	-	-	(331)	(320)
Interest income	12	4	-	-	-	-	-	-	12	4
Interest expenses	(146)	(165)	(50)	(53)	-	-	(11)	(132)	(207)	(350)
Profit/ (Loss) before income tax	2,304	8,441	(300)	(266)	(23)	80	(397)	(942)	1,584	7,313
Tax expense	(604)	(1,644)	-	-	-	-	-	(267)	(604)	(1,911)
Profit/ (Loss) for the period	1,700	6,797	(300)	(266)	(23)	80	(397)	(1,209)	980	5,402
Other material items:										
Commission expenses	(129)	(1,109)	-	-	-	-	-	-	(129)	(1,109)
Demurrage	(519)	(77)	-	-	-	-	-	-	(519)	(77)
Fair value (losses)/ gains from financial assets at FVTPL	(34)	3,932	-	-	(17)	61	-	-	(51)	3,993
Inventories write-down, net	(615)	-	-	-	-	-	-	-	(615)	-
Short-term leases	(1,085)	(922)	(5)	(4)	-	-	-	-	(1,090)	(926)

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 2022 and 31 December 2021 are as follows:

	Chemicals		Printing related		Investment		Elimination		Consolidated	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	56,451	55,324	24,334	27,503	9,681	10,165	(10,942)	(13,261)	79,524	79,731
Deferred tax assets	45	47	-	-	-	-	-	-	45	47
Consolidated total assets	56,496	55,371	24,334	27,503	9,681	10,165	(10,942)	(13,261)	79,569	79,778
Segment liabilities	34,012	33,276	3,037	3,602	3,042	3,141	(4,477)	(6,804)	35,614	33,215
Interest free loan from a director	-	-	-	365	-	-	-	-	-	365
Loans from directors	474	485	-	264	-	-	-	-	474	749
Borrowings	4,013	4,539	-	-	-	-	-	-	4,013	4,539
Income tax liabilities	1,135	1,712	-	-	3	5	-	-	1,138	1,717
Deferred tax liabilities	-	-	1,078	1,111	1,074	1,108	-	-	2,152	2,219
Consolidated total liabilities	39,634	40,012	4,115	5,342	4,119	4,254	(4,477)	(6,804)	43,391	42,804
Capital expenditure	3	2	21	56	-	-	-	-	24	58
Investment in financial asset at FVTPL	547	4,597	-	-	43	591	-	-	590	5,188



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

4.2 Disaggregation of revenue

	HY2022 US\$'000	HY2021 US\$'000
The Group		
Chemicals	303,608	340,158
Printing related	339	380
	303,947	340,538

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 time	Over time	At point in time	Over time	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
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	-	339	-	11,146
- India	2,006	-	-	-	2,006
- Other countries in Asia	5,607	-	-	-	5,607
- Others	7,730	-	-	-	7,730
	303,608	-	339	-	303,947
HY2021					
- PRC	219,525	-	-	-	219,525
- Vietnam	7,324	-	-	-	7,324
- Japan	31,277	-	-	-	31,277
- Thailand *	6,472	-	-	-	6,472
- Indonesia	12,457	-	-	-	12,457
- Taiwan	12,493	-	-	-	12,493
- Singapore	16,620	-	226	154	17,000
- India	14,522	-	-	-	14,522
- Other countries in Asia *	6,939	-	-	-	6,939
- Others	12,529	-	-	-	12,529
	340,158	-	226	154	340,538

* Chemical revenue from "Thailand" was previously included under "Other countries in Asia".



Selected 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	HY2022 US\$'000	HY2021 US\$'000
Other income		
Bad debts recovered	69	-
Dividend income from financial assets at FVTPL	11	96
Exchange gain, net	416	127
Fair value (losses)/ gains from financial assets at FVTPL	(51)	3,993
Gains on disposal of financial assets at FVTPL	9	26
Government grants	13	100
Interest income	12	4
Income from subleasing	21	10
Reversal of inventories write-down, net	-	19
Others	24	13
Sub-total	524	4,388
Other expenses		
Bank charges	(185)	(207)
Commission expense	(129)	(1,109)
Demurrage	(519)	(77)
Entertainment expense	(129)	(91)
Expected loss allowances	(185)	-
Inventories write-down, net	(615)	-
Legal and professional fee	(114)	(119)
Realised and unrealised loss from futures contract	1	(66)
Short-term leases	(1,090)	(926)
Others	(543)	(539)
Sub-total	(3,508)	(3,134)
Finance costs		
Non-cash interest expenses on zero-coupon bonds	-	(112)
Non-cash interest expenses on lease liabilities	(51)	(54)
Non-cash interest expenses on an interest-free loan from a director	(9)	(18)
Interest expenses on loans from directors	(16)	(21)
Interest expenses on advances from a related party	-	(30)
Interest expenses on bank borrowings	(72)	(59)
Others	(59)	(56)
Sub-total	(207)	(350)



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

6 Income tax recognised in profit or loss

	HY2022	HY2021
	US\$'000	US\$'000
The Group		
Current tax expense		
- Current year	604	674
- Over provision in prior year	-	(13)
- Reversal of group relief previously transferred	-	267
Deferred taxation		
- Current year	-	983
Tax expense	604	1,911

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.

	HY2022	HY2021
	US\$'000	US\$'000
The Group		
Net profit attributable to equity holders of the Company (US\$'000)	980	5,398
Weighted average number of ordinary shares ('000)	1,281,689	1,182,847
		(b)(c)
Basic/ diluted earning per ordinary share (cents)	0.08	0.46 (a)(b)(c)

(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) 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 number of ordinary shares in the Company as at 29 January 2021 has increased from 642,750,000 to 1,281,689,000.

(c) The weighted average number of ordinary shares during HY2021 has been restated herein from 1,281,689,000 to 1,182,847,000 due to an error in the presentation of information in the condensed interim financial statements for HY2021. As a result, the basic/ diluted EPS has also been restated herein from 0.42 to 0.46.



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

8 Net asset value per ordinary share

	The Group		The Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per ordinary share (US Cents)	2.82	2.88	1.64	1.76
Based on number of issued shares of the Company ('000)	1,281,689	1,281,689	1,281,689	1,281,689

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

Financial assets at FVTOCI represents 12.74% (30 June 2021: 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 ended 31 December 2021 which resulted in the dilution of the Group's shareholding from 18.18% to 12.74%.

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

As at 30 June 2022, 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 2021 valuation.

10 Property, plant and equipment

During the half year ended 30 June 2022, the Group acquired property, plant and equipment with an aggregate cost of US\$24,000 (HY2021: US\$51,000).

Security

As at 30 June 2022, buildings on leasehold land of the Group and the Company with total net carrying amount of approximately US\$11.78 million (30 June 2021: US\$12.43 million), were pledged to a bank for uncommitted banking facilities (trade facilities) granted to the Group's subsidiary, Orient-Salt Chemicals Pte. Ltd ("**OSC**").

Valuation

The Group's and the Company's property, plant and equipment as at 30 June 2022 consists mainly of buildings on leasehold land of US\$11.78 million, 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 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 on leasehold land. The key assumptions to determine the fair value include adjusted market price per square meter.

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



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

10 Property, plant and equipment (Cont'd)

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 2022, there were no internal or external evidence that plant and equipment could be further impaired.

11 Derivative asset

	30 June 2022 US\$'000	31 December 2021 US\$'000
The Group and the Company		
At beginning of the year	368	368
Derecognition upon exercise of put option	(368)	-
At end of the reporting period	-	368

Pursuant to the put and call option agreement (“PCOA”) entered on 14 March 2018, Mr. Shi Jiangang, the Executive Chairman and Executive Director of the Company (“SJG”), had granted the Company an interest-free loan that was repayable on 13 March 2022 (refer Note 15) and the Company had provided SJG with a call option to convert the interest-free loan into 40% equity interest in the shares of Zhangjiagang Orient-hill held by the Company (the “Subsidiary Shares”) at any time between 13 March 2019 to 13 March 2022 (the “Option Period”). In addition, under the PCOA, SJG had also granted a put option to the Company which provided the Company with the right to put the Subsidiary Shares to SJG over the Option Period subject to the terms and conditions of 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”).

After an evaluation of Zhangjiagang Orient-hill’s performance to date, the Company had on 11 March 2022, exercised the put option under the PCOA in respect of the Subsidiary Shares. Following the exercise of the put option by the Company, SJG (or such party as he may nominate) was bound under the PCOA to complete the purchase of the Subsidiary Shares. The derivative asset was derecognised accordingly.



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

12 Share capital

	No. of shares		Amount	
	30 June 2022 '000	31 December 2021 '000	30 June 2022 US\$'000	31 December 2021 US\$'000
The Group and The Company				
Issued and fully paid ordinary shares with no par value:				
At beginning of year	1,281,689	642,750	44,868	33,246
Issue of new shares by exercise of warrants	-	638,939	-	9,623
Reclassification from other equity instruments upon exercise of warrants	-	-	-	1,999
At 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 2022 and 30 June 2021.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares or subsidiary holdings as at 30 June 2022.

On 29 January 2021, a total of 638,939,000 warrants had been exercised, 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 number of ordinary shares in the Company as at 29 January 2021 had increased from 642,750,000 to 1,281,689,000. An aggregate consideration of US\$9,623,000 from the issuance of the New Shares was received in cash from the exercise of the warrants.

13 Dividend

	30 June 2022 US\$'000	31 December 2021 US\$'000
The Group and The Company		
Final dividend of 0.05 Singapore cents per shares, paid	462	-

During HY2022, a final one-tier tax exempt ordinary dividend of 0.05 Singapore cents per share, totalling US\$462,000 was paid in respect of the previous financial year ended 31 December 2021.

No dividend has been declared or recommended for HY2022. 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)

14 Borrowings

	The Group		The Company	
	30	31	30	31
	June	December	June	December
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable after one year				
Bank borrowing (secured)	1,503	1,922	-	-
Amount repayable in one year or less, or on demand				
Bank borrowings (secured)	2,510	2,617	-	-
Total	4,013	4,539	-	-

Details of any collaterals

As at 30 June 2022, 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.

15 Interest-free loan from a director

	The Group		The Company	
	30	31	30	31
	June	December	June	December
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Mr Shi Jiangang	-	365	-	365

As disclosed in Note 11, the Company had on 11 March 2022 exercised the put option under the PCOA to put the Subsidiary Shares to SJG. Following the exercise of the put option by the Company, SJG (or such party as he may nominate) was bound under the PCOA to complete the purchase 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.



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

16 Loans from directors

	The Group		The Company	
	30	31	30	31
	June	December	June	December
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Mr Shi Jiangang	474	485	-	-
Mr Sam Kok Yin	-	264	-	264
Total	474	749	-	264

Loan from Mr Shi Jiangang, the Executive Chairman and Executive Director of the Company, 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, being 23 March 2021, 19 April 2021, 11 January 2022 and 6 July 2022 respectively. However, the loan repayment dates may be subject to extension with mutual agreement from the parties and the extended repayment dates range from 11 January 2023 to 6 July 2023.

Loan from Mr Sam Kok Yin, the Managing Director of the Company, in respect of the working capital of the Company, bears interest at 3% per annum, is unsecured and repayable on demand. The loan was fully repaid during HY2022.

17 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:

	HY2022	HY2021
	US\$'000	US\$'000
The Group		
Loans from directors	-	2,869
Repayment of loan to directors	(264)	(1,264)
Advances from a related party	-	6,600
Repayment to a related party	-	(5,300)
Non-cash interest expenses on an interest-free loan from a director	(9)	(18)
Interest expenses on loan from directors	(16)	(21)
Interest expenses on advances from a related party	-	(30)
Purchases from a related party	(88)	(75)
Rental of office space	(58)	(58)
Rental of vehicles	(32)	(35)



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

18 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 2022					
<u>Non-financial assets</u>					
Buildings on leasehold land	10	-	-	11,780	11,780
<u>Financial assets</u>					
Financial asset at FVTOCI	9	-	-	9,529	9,529
Financial assets at FVTPL		603	-	-	603
<u>Financial liabilities</u>					
Bank loans	14	-	(1,503)	-	(1,503)
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		248	-	-	248
Derivative asset	11	-	-	368	368
<u>Financial liabilities</u>					
Bank loans	14	-	(1,922)	-	(1,922)

There were no transfers between Level 1, Level 2 and Level 3 of fair value hierarchy during the financial period ended 30 June 2022 and 31 December 2021.

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

19 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\$36.6 million from US\$340.2 million in HY2021 to US\$303.6 million in HY2022, largely due to the decrease in 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\$37.4 million from US\$324.8 million in HY2021 to US\$287.4 million in HY2022. Print and paper management revenue has slightly decreased by US\$41,000 from US\$380,000 in HY2021 to US\$339,000 in HY2022.

Other income decreased by US\$3.9 million from US\$4.4 million in HY2021 to US\$0.5 million in HY2022. This was due mainly to a reversal of the fair value gains from financial assets at FVTPL of US\$4.0 million in HY2021 to the fair value losses from financial assets at FVTPL of US\$51,000 in HY2022. The US\$4.0 million fair value gains in HY2021 were largely contributed by our investment, made via our wholly-owned subsidiary, Orient-Salt Chemicals (Shanghai) Co., Ltd., in Jiangsu Sopo Chemical Co., Ltd. (the "**Sopo Shares**"). The Sopo Shares were sold during the second half year of 2021 and therefore there were no fair value changes arising from the Sopo Shares in HY2022.

Employee benefits expenses decreased by US\$0.6 million from US\$2.4 million in HY2021 to US\$1.8 million in HY2022 which was mainly to lower performance bonuses provided for HY2022 based on the Group's financial performance.

Freight and handling charges increased by US\$3.1 million from US\$6.6 million in HY2021 to US\$9.7 million in HY2022 which was due mainly to significant increase in freight rates.

Other expenses increased by US\$0.4 million from US\$3.1 million in HY2021 to US\$3.5 million in HY2022 which was due mainly to the higher short-term leases expenses, demurrage charges,



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inventories write-down and expected loss allowances provided for HY2022, offset by lower commission expenses paid to third parties in relation to chemical sales.

Finance costs decreased by US\$143,000 from US\$350,000 in HY2021 to US\$207,000 in HY2022 which was due mainly to the maturity of the zero-coupon bonds in January 2021. As a result, there was no such interest expenses were recorded in HY2022.

The tax expenses in HY2022 arose mainly from the provision for income taxes of profitable subsidiaries. The tax expenses decreased by US\$1.3 million from US\$1.9 million in HY2021 to US\$0.6 million in HY2022 which was due mainly to the deferred tax expense of US\$1.0 million provided for the fair value gains on Sopo Shares, as mentioned above, which was recorded in HY2021. The Sopo Shares were sold during the second half year of 2021 and therefore there was no such tax expense was recorded in HY2022.

The foreign currency translation differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The translation differences for the current period arose from changes in foreign currencies, such as the Singapore dollar and Renminbi against the United States dollar upon consolidation of subsidiaries whose functional currency is the Singapore dollar and Renminbi. The weakening of the Singapore dollar and Renminbi against the United States dollar resulted in overall net foreign currency translation loss of US\$1.3 million in HY2022.

The Group reported EBITDA of US\$2.1 million in HY2022 as compared to US\$8.0 million (including a fair value gain of US\$3.9 million from Sopo Shares) in HY2021. The decrease of US\$5.9 million was mainly attributable to a reversal of fair value gains on financial asset at FVTPL to fair value losses on financial asset at FVTPL, higher freight and handling charges.

The Group reported profit after tax of US\$1.0 million in HY2022 as compared to profit after tax of US\$5.4 million (including a fair value gain of US\$3.9 million less US\$1.0 million corresponding deferred tax expense from Sopo Shares) in HY2021. The decrease of US\$4.4 million was due mainly to a reversal of fair value gains on financial asset at FVTPL to fair value losses on financial asset at FVTPL, higher freight and handling charges, offset by a lower tax expense.

For comparison, without taking into account the US\$3.9 million fair value gains and US\$1.0 million tax effect on the fair value gains in HY2021 on Sopo Shares investment, the Group's EBITDA and profit after tax in HY2021 would have been only US\$4.1 million and US\$2.5 million respectively. Excluding the effect of the fair value gains from Sopo Shares in HY2021, the decrease in EBITDA and profit after tax would have been US\$2.0 million and US\$1.5 million respectively.

Review of statement of financial position

Property, plant and equipment decreased by US\$0.7 million from US\$12.7 million as at 31 December 2021 to US\$12.0 million as at 30 June 2022 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\$3.2 million from US\$13.3 million as at 31 December 2021 to US\$16.5 million as at 30 June 2022 which was due mainly to slower stock movement resulting from the pandemic lock down under China's zero-Covid policy.

Trade receivables decreased slightly by US\$1.0 million from US\$15.9 million as at 31 December 2021 to US\$14.9 million as at 30 June 2022 which was mainly due to lower sales with credit term in the month of June 2022. The Group's average debtor turnover days has decreased by 3 days from 12 days as at 31 December 2021 to 9 days as at 30 June 2022.

Advances and prepayments decreased by US\$2.1 million from US\$15.6 million as at 31 December 2021 to US\$13.5 million as at 30 June 2022 which was due mainly to less advance payments made to suppliers for the procurement of chemical supplies in respect of our chemical



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trading business conducted by our wholly-owned subsidiary, OSC and its subsidiaries in the People's Republic of China and Japan (collectively the “**OSC Group**”).

Amounts due from subsidiaries decreased by US\$1.7 million from US\$4.8 million as at 31 December 2021 to US\$3.1 million as at 30 June 2022 which was due mainly to repayment made by a subsidiary during the reporting period.

Cash and bank balances increased by US\$1.2 million from US\$8.5 million as at 31 December 2021 to US\$9.7 million as at 30 June 2022 which was due mainly to positive cash generated from operations of US\$3.0 million, offset by net repayment of loan to directors and bank borrowings of US\$0.6 million, dividend paid to equity holders of the Company of US\$0.5 million, and the US\$0.6 million cash investment in financial assets at FVTPL.

Trade payables increased by US\$4.3 million from US\$18.1 million as at 31 December 2021 to US\$22.4 million as at 30 June 2022 which was due mainly to slower payment made to the suppliers.

Advances from customers decreased by US\$1.4 million from US\$7.4 million as at 31 December 2021 to US\$6.0 million as at 30 June 2022 which was due mainly to less chemical sales being arranged under advance payment terms.

Borrowings decreased by US\$0.5 million from US\$4.5 million as at 31 December 2021 to US\$4.0 million as at 30 June 2022 which was due mainly to net repayment of bank borrowings of US\$0.4 million and currency translation differences.

Review of statement of cashflow

Net cash generated from operating activities of US\$3.0 million in HY2022 was due mainly to operating cash flows before changes in working capital of US\$2.1 million, net working capital inflows of US\$2.1 million and income tax paid of US\$1.2 million.

Net cash used in investing activities of US\$0.5 million in HY2022 was due mainly to the cash investment in financial assets at FVTPL of US\$0.6 million and proceeds from disposal of financial assets at FVTPL of US\$0.2 million.

Net cash used in financing activities of US\$1.8 million in HY2022 was due mainly to repayment of banks borrowings of US\$1.0 million, final dividend paid to equity holders of the Company of US\$0.5 million and fixed deposit of US\$0.5 million pledged to a bank.

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\$303.6 million, with profit after tax of US\$1.7 million. Barring unforeseen circumstances such as continued and extensive lock downs in the PRC or a sharp rise in freight costs, we expect the OSC Group's business to be stable in the next 12 months with the support from our customers, suppliers and bankers.



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The Company's wholly-owned subsidiary, Abundance Investments Pte. Ltd., held 12.74% of the equity of Sunrise as at 31 December 2021 and 30 June 2022. 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 small loss of US\$0.7 million for HY2022. This was due mainly to (i) domestic and global supply chain disruptions during the pandemic lock downs in the PRC; (ii) rising and volatile raw material prices; and (iii) initial 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

The Group commenced its investment business under its wholly-owned subsidiary, Abundance Investments Pte. Ltd., which was incorporated on 1 September 2016. As at 30 June 2022, this portfolio consisting of cash and listed equities, amounted to US\$129,000.

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\$339,000 of revenue for HY2022.

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 2022.

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 Catalist Rules

Except for the disposal 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 11 and 15, during HY2022, 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.



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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 15. The Subsidiary Shares are unlisted and the net liability value represented by the Subsidiary Shares is RMB3.1 million. The parties are currently in the process of obtaining government registration for the transfer.

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

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

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 2022 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 2022