ASIAPHOS

2023 ANNUAL REPORT

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ABOUT US

AsiaPhos Limited was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 7 October 2013, and was the first mineral resources company listed on the SGX-ST focused on the mining of phosphate and the production of downstream phosphate-based chemical products.The Group owned and operated a downstream processing facility in the Gongxing Industrial Park (Sichuan) to produce yellow phosphorus (P4) and sodium tripolyphosphate (STPP).

As disclosed in recent public announcements, the Group has been involved in international arbitration with the Chinese Government on the Chinese Government's order to cease operations of the Mining Assets and to vacate the Mining Assets. Following the cessation of mining in 2017 and production of P4 in 2018, the Group has been focused primarily on trading of chemicals and commodity products.

As announced on 9 October 2023, a subsidiary of the Company had entered into a non-binding term sheet pertaining to a potential acquisition of a renewable energy business. The potential acquisition is subject to the execution of a definitive agreement and if completed, will allow the Company to diversify into new businesses or growth areas and supplement the Group's existing businesses. Management will continue to source for other corporate, business, acquisition and financing opportunities as and when available and appropriate in order to enhance the value for shareholders.

MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS

BUSINESS UPDATES

Since November 2017, the Group has been in a dispute with the Chinese Government in relation to Mine 1, Mine 2 and Fengtai Mine (collectively, the "Mining Assets") as the Mianzhu City Government's request for the Group to provide a letter of undertaking to vacate and rehabilitate its mining sites in respect of Mine 2 and Fengtai Mine and the non-renewal of mining and exploration licenses of Mine 1 is tantamount to an indirect expropriation of these Mining Assets by the Chinese Government. On 7 August 2020, the Group submitted a request for international arbitration to the Chinese Government.

International arbitration and Appeal filing in the Swiss Supreme Court

As announced on 21 February 2023, the arbitral tribunal in a 2 to 1 majority determined that Article 13(3) of the China-Singapore Bilateral Investment Treaty (1985) did not afford jurisdiction over the Group's expropriation claims and Article 4 of the Treaty did not afford jurisdiction over the Group's remaining claims. The arbitral tribunal also ordered the Group to pay the sums of USD0.28 million and RMB6.35 million in legal costs to China.

On 20 March 2023, the Group filed a petition with the Swiss Supreme Court to inter alia set aside the Tribunal's jurisdictional award and the legal costs awarded.

On 24 January 2024, the Group was informed that the Swiss Supreme Court had turned down the appeal and ordered the Group to reimburse China for the abovementioned legal costs. The Group was ordered to pay CHF250,000 in compensation to China.

The CHF250,000 will be settled from the security deposit paid by the Group to the Swiss Supreme Court.

The Group intends to utilise part of the proceeds receivable from the sale of the P4 Plant to settle the legal costs awarded to China by the arbitral tribunal.

Update on P4 Plant

On 20 March 2023, the Group's wholly owned subsidiary Sichuan Mianzhu Norwest Phosphate Chemical Co Ltd ("**SMNPC**") entered into a Cooperation Agreement with Rongda Yuexiang Chemical Group Co Limited ("**Rongda**"). On 29 April 2023, the Company's shareholders approved the Cooperation Agreement which comprised the Proposed Lease, Proposed Sale Option, Proposed Disposal of the P4 Plant.

On 29 January 2024, SMNPC entered into a Supplementary Cooperation Agreement II ("**Agreement II**") with Rongda. Rongda made a payment of RMB20 million and SMNPC used part of it to fully repay the bank loan from Bohai Bank and obtain a release of the pledged assets.

Pursuant to the terms and provisions of Agreement II, Rongda made a payment of and RMB39.39 million on 8 February 2024 into an escrow account. SMNPC is to transfer the P4 plant, including the corresponding liabilities, into Sichuan Rongdafeng within 36 months from the effective date of Agreement II. SMNPC has a 36 month period to complete the transfer to Rongda.

On 21 March 2024, SMNPC received confirmation that the relevant authorities have issued a certificate confirming the Land and Building Transfer relating to the yellow phosphorus plant assets to the newly incorporated subsidiary, Sichuan Rongdafeng Chemical Co Ltd ("Rongdafeng"). The injection of yellow phosphorus plant assets is an important milestone towards the completion of the transaction. On 22 March 2024, SMNPC received confirmation that Rongdafeng has completed the change of legal representative. As specified in the 29 January 2024 announcement, there are other conditions which are in-progress (such as transfer of payables/liabilities, and transfer of personnel) before the transaction can be fully completed and the escrow funds released.

On 27 March 2024, SMNPC was informed that Huili County Jiahong Chemical Co., Ltd. ("**Huili Jiahong**") had applied to the Mianzhu Municipal People's Court ("**the Court**") and obtained a court order to freeze one Mianzhu Norwest's bank account with Agriculture Bank of China (Mianzhu Branch) up to the maximum amount of RMB7 million. This frozen account is the one that was set up as an escrow account for the transaction with Rongda.

Management understands that the above matter may be related to the cleaning up work carried out by Huili Jiahong after the Wenchuan Earthquake at Mianzhu Norwest's old factory in Hanwang Town.

Mianzhu Norwest is in the process of consulting its lawyers in the People's Republic of China and will contest the claim when it is filed with the Court or settle the amount amicably if the claim has merit.

The Company will make such further announcements via SGXnet at the appropriate juncture, as and when it receives further information and when there are material developments in relation to this matter. Management will work to carry out the necessary to obtain the release of the funds paid into the escrow and to complete the transaction.

MESSAGE TO SHAREHOLDERS

Other Business Updates

As announced on 9 October 2023, a subsidiary of the Company had entered into a non-binding term sheet pertaining to a potential acquisition of a renewable energy business. The potential acquisition is subject to the execution of a definitive agreement and if completed, will allow the Company to diversify into new businesses or growth areas and supplement the Group's existing businesses. Please refer to the SGXNET announcements for the latest update on the transaction.

Management will continue to source for other corporate, business, acquisition and financing opportunities as and when available and appropriate in order to enhance the value for shareholders.

The completion of the disposal of SMNPC's Sodium Tripolyphosphate ("STPP") plant and the associated land use rights (collectively "Phase 2 Factory Assets") is pending the transfer of titles to the Buyer. As announced on 4 July 2023, further delays to the completion of the transaction are expected as the Mianzhu Land Management Bureau has requested additional information pertaining to Phase 2 Factory Assets. Both SMNPC and the Buyer are working to comply with the requirements promptly to expedite the process. As at the date of this report and barring any unforeseen circumstances, the Company is not aware of any information which may cause the Buyer to withdraw from the transaction or may suggest that the transaction will not be completed.

Rights Issue

On 28 March 2024, the Company announced that it is proposing to undertake a renounceable non-underwritten rights issue (the "**Proposed Rights Issue**") of up to 515,762,342 new ordinary shares in the capital of the Company (the "**Rights Shares**"), at an issue price of S$0.0054 for each Rights Share (the "**Issue Price**"), on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (the "**Shares**") held by Entitled Shareholders (as defined in the announcement) as at a date and time to be determined by the Directors, at and on which the Register of Members of the Company and the Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of the Entitled Shareholders under the Rights Issue (the "**Record Date**"), fractional entitlements to be disregarded. Please refer to the Company's announcements on SGXNET for further details.

FINANCIAL REVIEW

The Group recorded a lower trading revenue in FY2023 as compared to FY2022 mainly due to a lower quantity of phosphate chemical and commodity products sold. Cost of goods sold decreased in FY2023 in line with the lower revenue. The reductions in gross profits in FY2023, when compared to FY2022, were due to lower revenue and changes in the sales mix. The decreases in other income in FY2023 against FY2022 were mainly due to reduced funding reimbursement received for costs in relation to the arbitration against China. Selling and distribution costs decreased in FY2023 against FY2022 were due to reduced sales activity. The increases in general and administrative expenses in FY2023 against FY2022 were mainly attributed to the expensing off of security deposits amounting $0.86 million for the arbitration against China, following the unsuccessful appeal.

Finance costs rose from $0.56 million in FY2023 against $0.41 million in FY2022 mainly due to the accrual of interest on the awarded arbitration costs and on the loans from a director and a shareholder in FY2023.

The increases in profit before tax from discontinued operations in FY2023 against FY2022 were mainly due to the partial write-back of provision for impairment loss of the P4 plant. Please refer to notes 15/16/30 of the financial statements for details.

The Group reported a net loss after tax of $4.17 million (2022 - $1.59 million, restated comparatives) from continuing operations, and a net profit after tax of $6.24 million (2022 - Nil) from discontinued operations during the financial year ended 31 December 2023. Excluding reversal of impairment loss of property, plant and equipment of $4.09 million, reversal of deferred tax liabilities of $1.29 million related to the P4 plant, and rental income of $1.06 million from a 1-year lease term from March 2023 as part of the arrangement related to the disposal of the P4 Plant Assets, the Group would have reported a net loss after tax from discontinued operations of $0.2 million for the financial year ended 31 December 2023.

Excluding "Non-current assets held for sale" and "Assets and liabilities of the disposal group", the Group's current liabilities exceeded its current assets by $10.99 million as of 31 December 2023 (31 December 2022 - $13.88 million).

As at 31 December 2023, the Company had net current liabilities of $7.15 million (31 December 2022 - $5.74 million) and a deficit in equity of $7.15 million.

MESSAGE TO SHAREHOLDERS

As at 31 December 2023, the Group did not have any external bank borrowings save for the bank loan from Bohai Bank amounting to RMB18.09 million (approximately $3.37 million), which was secured against the P4 plant. The aforementioned bank loan had been fully repaid on 30 January 2024 utilising part of the proceeds received from Rongda on the sale of the P4 plant. Please see the announcement dated 30 January 2024 for more details.

For further details, please refer to the accompanying Financial Review and audited Financial Statements sections, and to the 'Other Business Updates' section for the business outlook for the next 12 months.

IN APPRECIATION

We would like to express our deepest gratitude to our fellow Board members, bankers, advisers, customers, suppliers and loyal shareholders for their patience, support and trust in the Group. Our heartfelt thanks go to our management and staff for their dedication and hard work amidst the challenges.

At the upcoming Annual General Meeting, please join us to extend our appreciation to our retiring directors Dr Ong Hian Eng and Mr Francis Lee for their efforts and stewardship, and to welcome our new Executive Director Mr Ong Eng Keong.

We look forward to your continued support.

GOH YEOW TIN
Non-Executive Chairman

DR ONG HIAN ENG
CEO and Executive Director

FINANCIAL REVIEW

INCOME STATEMENT

	FY2023 $'000	FY2022 $'000 (Restated)	Change %
Continuing operations			
Revenue	1,701	2,415	(30)
Cost of sales	(1,373)	(1,915)	(28)
Gross profit	328	500	(34)
	19%	21%	
Other income	801	3,032	(74)
Selling and distribution costs	(126)	(133)	(5)
General and administrative costs	(4,728)	(4,448)	6
Finance costs	(349)	(408)	(14)
Other expenses	(25)	(60)	(58)
Loss before tax from continuing operations	(4,099)	(1,517)	N.M.
Taxation	(70)	(69)	1
Loss from continuing operations, net of tax	**(4,169)**	**(1,586)**	N.M.
Discontinued operation			
Profit from discontinued operations, net of tax	**6,242**	**-**	N.M.
Profit/(Loss) for the year	**2,073**	**(1,586)**	N.M.

"N.M" denotes not meaningful

The Group recorded lower trading revenue in the current financial year mainly due to a lower quantity of phosphate chemical and commodity products sold.

The decrease in gross profit was mainly due to changes in sales mix in the current financial year. Consequently, gross profit margin was 19% compared to 21% in the prior year.

The decrease in other income in the current financial year was mainly due to reduced reimbursement funding received for costs in relation to the arbitration against China.

Selling and distribution costs decreased in tandem with revenue, as a result of lower sales activities.

The increase in general and administrative expenses was mainly attributed to the expensing off of security deposits amounting $0.86 million for the arbitration against China, following the unsuccessful appeal, in the current financial year.

The decrease in finance costs was mainly due to repayment of one interest-bearing bank loan in the prior financial year.

Other expenses reduced mainly due to smaller provisions for impairment of other receivables made in the current financial year.

The increase in tax expense was caused by an increase in accrual of tax on unremitted foreign income in the current financial year.

The increase in profit from discontinued operations was mainly due to a write-back of provision for impairment of the P4 plant and rental income recognised on the lease of the P4 plant in the current financial year.

As a result of the above, the Group recorded profit for the year of $2.07 million in the current financial year, relative to a loss of $1.59 million in the prior year.

FINANCIAL REVIEW

BALANCE SHEET

	FY2023 $'000	FY2022 $'000 (Restated)	Change %
Non-current assets	**401**	**10,286**	**(96)**
mainly comprised of			
Right-of-use assets	186	1,295	(86)
Property, plant and equipment	27	8,983	(100)
Deferred tax assets	178	–	N.M.
Current assets	**1,436**	**1,688**	**(15)**
mainly comprised of			
Inventories	52	223	(77)
Other receivables and prepayments	468	636	(26)
Cash and bank balances	865	757	14
Assets of disposal group	**13,665**	**–**	**N.M.**
Non-current assets held for sale	**5,546**	**5,805**	**(4)**
Non-current liabilities	**2,738**	**2,972**	**(8)**
mainly comprised of			
Deferred tax liabilities	–	995	(100)
Deferred income	1,812	1,869	(3)
Liabilities of disposal group	**6,086**	**764**	**N.M.**
Current liabilities	**12,427**	**15,568**	**(20)**
mainly comprised of			
Trade and other payables	8,999	9,380	(4)
Contract liabilities	524	303	73
Interest-bearing bank loan	-	3,610	(100)
Amounts due to a director	1,753	1,792	(2)
Loan due to a controlling shareholder	1,121	456	N.M.
Net current liabilities	**(10,991)**	**(13,880)**	**(21)**
Net liabilities	**(203)**	**(1,525)**	(7)
Equity attributable to owners of the Company			
Share capital	78,283	78,283	–
Reserves	(75,953)	(77,270)	(2)
	2,330	1,013	N.M.
Non-controlling interests	(2,533)	(2,538)	–
Total equity	**(203)**	**(1,525)**	**(87)**

"N.M" denotes not meaningful

The decrease in non-current assets was mainly attributed to the reclassification of the right-of-use assets and property, plant and equipment related to the P4 plant to "Assets of disposal group" in the current financial year, following the entry into the Cooperation Agreement with Rongda in relation to the definitive disposal of the P4 plant.

The decrease in current assets was a result of the following:

- Inventory levels reduced mainly due to the clearance of stocks during the year and a write-off of inventory damaged in a fire that took place in a third-party owned warehouse in Tianjin.
- The decrease in other receivables and prepayments was attributed mainly to the write-off of a security deposit made for legal costs in relation to the arbitration against China, following the unsuccessful appeal to the Swiss Supreme Court.

The increase in assets of disposal group is due to the above-mentioned reclassification of the P4 plant in the current financial year.

The decrease in non-current assets held for sale was due to exchange rate fluctuations in the current financial year.

The decrease in non-current liabilities was a result of the following:

- Deferred tax liabilities reduced mainly due to a write-back in the current financial year of deferred tax liabilities which arose from the depreciation of the P4 plant in prior years.
- The decrease in deferred income was due to exchange rate fluctuations in the current financial year.
- The increase in liabilities of disposal group was mainly due to the above-mentioned reclassifications of liabilities related to the P4 plant in the current financial year.

The decrease in current liabilities was a result of the following:

- Trade and other payables decreased mainly due to the reclassification of payables to "Liabilities of disposal group" in relation to the planned transfer of certain creditors as part of the definitive disposal of the P4 plant.
- The increase in contract liabilities was mainly due to advance rental received on the lease of the P4 plant.
- The sole interest-bearing bank loan was reclassified to "Liabilities of disposal group" in the current financial year. The reclassification was to reflect the intention to settle or transfer the aforementioned bank loan pursuant to the definitive disposal of the P4 plant in accordance with the terms of the Cooperation Agreement with Rongda.
- The decrease in loan due to a director was mainly a result of a net repayment made in the current financial year.
- The increase in loan due to a shareholder was mainly a result of additional loans extended in the current financial year.

As a result of the above, total equity attributable to owners of the Company was higher as at the end of the current financial year.

FINANCIAL REVIEW

CASH FLOW

	FY2023 $'000	FY2022 $'000 (Restated)	Change %
Net cash generated from/(used in) operating activities	**170**	**(3,262)**	N.M.
Net cash (used in)/generated from investing activities	**(175)**	**1,838**	N.M.
Net cash generated from/(used in) financing activities	**167**	**(437)**	N.M.
Net increase/(decrease) in cash and cash equivalents	162	(1,861)	N.M.
Cash and cash equivalents at beginning of the year	271	2,297	(88)
Effect of exchange rate changes on cash and cash equivalents	(7)	(165)	(96)
Cash and cash equivalents at end of the year	**426**	**271**	57

"N.M" denotes not meaningful

Net cash was generated from operating activities mainly due to payments received from Rongda on the lease and disposal of the P4 plant in the current financial year.

Net cash from investing activities reduced mainly due to a one-off receipt of advance sales consideration on the disposal of Phase 2 Factory Assets in the prior financial year.

The Group reported a net cash inflow for its financing activities in the current financial year mainly due to additional drawdowns of loans from a controlling shareholder.

As a result of the above, there was a net increase in cash and cash equivalents in the current financial year.

BOARD OF DIRECTORS

GOH YEOW TIN

Non-Executive Chairman and Independent Director, Chairman of Remuneration and Nominating Committees

Mr Goh Yeow Tin was appointed a Director and the Chairman of the Remuneration and Nominating Committees on 22 August 2013. He is also a member of the Audit Committee. He was last re-elected on 27 April 2022. Mr Goh was appointed as the Chairman of the Board on 3 May 2019.

Mr Goh began his career with the Economic Development Board ("EDB") where he headed the Local Industries Unit and was subsequently appointed a Director of EDB's Automation Applications Centre between 1986 and 1988. He served as Deputy Executive Director of the Singapore Manufacturers' Association (now known as the Singapore Manufacturers' Federation) from 1983 to 1984. In 1988, Mr Goh joined Tonhow Industries Limited (now known as Asiamedic Limited), and served as its Deputy Managing Director until 1990. In 1989, he founded, and served as general manager of, International Franchise Pte Ltd until 1991. Between 1990 and 2000, Mr Goh served as the Vice-President of Times Publishing Limited. From 2001 to 2011, he was the CEO of Sino-Sing Center Pte. Ltd..

He is currently the Non-Executive Chairman of Seacare Foundation Pte Ltd, and an Independent Director of Taka Jewellery Holdings Limited (formerly known as TLV Holdings Limited) and KTMG Limited (formerly known as Lereno Bio-Chem Ltd). His past directorship of public listed companies in Singapore include Sheng Siong Group Limited, Singapore Post Limited, Vicom Ltd and OEL (Holdings) Limited.

Mr Goh holds a Bachelor of Mechanical Engineering (Honours) from the University of Singapore (now known as the National University of Singapore) and a Masters' Degree in Engineering and Management from the Asian Institute of Technology. In 2015, Mr Goh was awarded the Public Service Star (Bar) and was appointed a Justice of Peace by the President of the Republic of Singapore. He is a member of the Singapore Institute of Directors.

DR. ONG HIAN ENG

CEO and Executive Director, Non-Independent

Dr. Ong Hian Eng has been an Executive Director and the CEO of our Company since 3 January 2012. He is also a member of the Nominating Committee. He was last re-elected on 27 April 2022.

His responsibilities include overseeing the overall development of our Group's corporate direction and policies as well as the Group's operations, and playing an active role in the development, maintenance and strengthening of strategic business relationships. He has been serving as a Director and Legal Representative of Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd. ("Mianzhu Norwest") since 1996 and January 2010 respectively.

Dr. Ong started his career at Cold Storage (Singapore) Ltd. as an executive and production manager between 1974 and 1978 and served as manufacturing manager at Rothmans of Pall Mall (Singapore) Pte. Limited between 1978 and 1981. He joined the Hwa Hong Group in 1981 as its general manager and served as Executive Director of Hwa Hong Group and various of its subsidiaries from February 1981 to July 2012, when he was redesignated as a Non-Executive Director.

He was a member of the Singapore Trade Development Board from January 1995 to December 1996. He is also a member of the Singapore-Sichuan Trade and Investment Committee and an Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry.

Dr. Ong holds a Bachelor of Science (Second class honours, Upper division) in Chemical Engineering from the University of Surrey, and a Doctor of Philosophy from the University of London. He is a corporate member in the class of fellows of The Institution of Chemical Engineers, London since November 1986. He is also a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS

FRANCIS LEE FOOK WAH

Independent Director, Chairman of Audit Committee

Mr Francis Lee was appointed a Director and the Chairman of the Audit Committee on 22 August 2013. He was last re-elected on 29 April 2023. He is also a member of the Remuneration and Nominating Committees.

Mr Lee began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department, where he served as a senior investigation officer until 1993. Between 1993 and 1994, he joined OCBC Bank as an assistant manager. Between 1994 and 2001, he worked at Deutsche Morgan Grenfell Securities as a dealer's representative. He served at the Singapore branch of the Bank of China between 2001 and 2004 as an assistant manager. Between 2004 and 2005, he worked at AP Oil International Ltd as an investment and project manager. Between 2005 and 2011, he served as an Executive Director, Finance Director and Chief Financial Officer of Man Wah Holdings Ltd, a company listed on the Hong Kong Stock Exchange. He also served as a Non-Independent, Non-Executive Director of Man Wah Holdings Ltd between January 2011 and February 2012.

He was Chief Financial Officer of OKH Global Ltd from March 2015 until December 2017.

Mr Lee is currently Executive Director and Chief Financial Officer of Vibrant Group Limited, a company listed on the Main Board of the Singapore Stock Exchange.

He is an Independent Director of Joyas International Holdings Limited, and Pavillon Holdings Ltd. Mr Lee is also a Non-Independent Non-Executive Director of Figtree Holdings Limited and FM Global Logistics Holdings Bhd. He was an Independent Director of Sheng Siong Group Limited, Metech International Limited and Net Pacific Financial Holdings Limited.

Mr Lee graduated from the National University of Singapore with a Bachelor of Business Administration (Accountancy) in 1990 and obtained a Master of Business Administration (Investment and Finance) from the University of Hull in 1993. He is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants. Mr Lee is also a member of the Singapore Institute of Directors.

ONG ENG HOCK SIMON

Non-Executive Director, Non-Independent

Mr Simon Ong has been an Executive Director since 1 October 2012 to 30 June 2019. He is re-designated as non executive director from 1 July 2019. He was last re-elected on 29 April 2023. He is a member of the Audit and Remuneration Committees. He has been serving as a Director of Mianzhu Norwest since January 2010.

Mr Ong started his career as an audit assistant at KPMG Peat Marwick in 1991 and was subsequently promoted to audit senior, audit supervisor and audit manager in 1992, 1994 and 1996, respectively. Between 1996 and 1999, he served as director of corporate and financial planning in King George Development Corporation. Between 2000 and 2002, he worked at KPMG as an audit manager.

He was later appointed as group finance manager of Hwa Hong Corporation Limited in 2002 and promoted to Chief Financial Officer in 2004, a position he held till July 2012.

Mr Ong is currently Chief Financial Officer of Rich Capital Holdings Limited. He is also an independent director and Audit Committee Chairman of RF Acquisition Corp, a blank check company listed on NASDAQ.

Mr Ong studied accountancy at North East London Polytechnic (now known as University of East London) and qualified as a Fellow of The Association of Chartered Certified Accountants. He is also a Chartered Accountant, non-practising member of the Institute of Singapore Chartered Accountants and a member of Certified Practising Accountant, Australia.

BOARD OF DIRECTORS

ONG ENG KEONG

Executive Director

Mr Ong Eng Keong started his career in corporate banking with Citigroup, London in 2001. He moved to BNP Paribas, London, where he traded Asian corporate bonds from 2004 to 2009.

He moved back to Singapore with DZ Bank AG before joining Jefferies Singapore Limited to run the credit trading desk from 2010-2014. Mr Ong left the banking industry in 2016 to start his entrepreneur journey, running and advising multiple startups in the local startup space including Bondlinc Pte Ltd, Geko Life Pte Ltd and Crushmetric (SEA) Pte Ltd.

Mr Ong's company responsibilities include exploring and advancing new business initiatives in the renewable energy space, as well as growing and scaling the existing trading business.

Mr Ong was previously appointed as an alternate director to Dr Ong Hian Eng at Hwa Hong Corporation on 31st May 2021. On 25th April 2022, he was redesignated as a non-independent,non-executive director where he served till the company was successfully privatized on 1st August 2022.

Mr Ong holds a Bachelor of Economics Degree (Upper Second Class) from London School of Economics and Political Science and had on 21 October 2021 completed his LED (Listed Entity Director) programme organized by the Singapore Institute of Directors.

CORPORATE INFORMATION

BOARD OF DIRECTORS

GOH YEOW TIN
(Non-Executive Chairman & Independent Director)

DR. ONG HIAN ENG
(CEO and Executive Director)

ONG ENG HOCK SIMON
(Non-Executive Non-Independent Director)

FRANCIS LEE FOOK WAH
(Independent Director)

ONG ENG KEONG
(Executive Director)

AUDIT COMMITTEE
FRANCIS LEE FOOK WAH *(Chairman)*
GOH YEOW TIN
ONG ENG HOCK SIMON

NOMINATING COMMITTEE
GOH YEOW TIN *(Chairman)*
FRANCIS LEE FOOK WAH
DR. ONG HIAN ENG

REMUNERATION COMMITTEE
GOH YEOW TIN *(Chairman)*
FRANCIS LEE FOOK WAH
ONG ENG HOCK SIMON

COMPANY SECRETARY
NGIAM MAY LING, LLB (Hons)

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Date of Appointment: With effect from financial year ended 31 December 2021

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ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking re-election pursuant to Rule 720(5) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules").

Mr Goh Yeow Tin and Mr Ong Eng Keong are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 30 April 2024 ("**AGM**") under Ordinary Resolutions 2 and 3 as set out in the Notice of AGM dated 15 April 2024 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Information relating to the Retiring Directors, pursuant to Rule 720(5) of the Catalist Rules, as set out in Appendix 7F of the Catalist Rules is as set out below:

	GOH YEOW TIN	ONG ENG KEONG
Date of Appointment	22 August 2013	22 March 2024
Date of last re-appointment (if applicable)	27 April 2022	Not applicable
Age	73	46
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The re-election of Mr Goh as the Chairman of the Board and re-designation as non-independent director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Goh's qualifications, expertise, past experiences and overall contributions since he was appointed as a Director of the Company.	The re-election of Mr Ong as the Executive Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Ong's qualifications, expertise, past experiences and overall contributions since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive • Business development, driving profitability and pursuing sustainable growth of the company
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	• Chairman of the Board • Independent Director (will re-designate to Non Independent Director after the conclusion of the AGM) • Chairman of Nominating and Remuneration Committees • Member of Audit Committee	• Executive Director (upon re-election and retirement of Dr Ong, Ong Eng Keong shall resume role of CEO and NC member)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	GOH YEOW TIN	ONG ENG KEONG
Professional qualifications	• Bachelor of Engineering (Honours), University of Singapore • Masters' Degree in Engineering and Management, Asian Institute of Technology	BSc Economics (London School of Economics and Political Science)
Working experience and occupation(s) during the past 10 years	<u>2012 – Present</u> • Provides advisory services to Seacare Foundation Pte Ltd <u>2001 – 2011</u> • Chief Executive Officer of Sino-Sing Center Pte. Ltd.	<u>February 2023 – Present</u> • Executive Director, AP New Energy Pte. Ltd. • Non-Executive Director, Crushmetric Ecommerce (SEA) Pte Ltd • Non-Executive Director, FICA (Pte.) Ltd • Non-Executive Director, Ong Chay Tong Sons (Private) Limited <u>December 2019 – July 2023</u> • Executive Chairman/Investor, Sleek EV Pte Ltd (formerly known as Geko Life Pte Ltd) <u>January 2017 – May 2019</u> • Chief Executive Officer/ Co-Founder, Bondlinc Private Limited <u>March 2010 – August 2016</u> • Managing Director, Credit Trading, Jefferies international
Shareholding interest in the listed issuer and its subsidiaries		
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Mr Ong is: • Son of Dr Ong Hian Eng, who is a Chief Executive Officer and Executive Director and substantial shareholder of the Company • Cousin of Mr Ong Eng Hock Simon, who is a Non-Executive Non-Independent Director of the Company and Ms Ong Bee Kuan Melissa, a substantial shareholder of the Company. • Brother-in-law of Jaime Chiew, Chief Risk Officer of the Company
Conflict of interest (including any competing business)	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<table>
<tr><th></th><th>GOH YEOW TIN</th><th>ONG ENG KEONG</th></tr>
<tr><td>Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer</td><td>Yes</td><td>Yes</td></tr>
<tr><td>Other Principal Commitments* Including Directorships#

* "Principal Commitments" has the same meaning as defined in the Code – "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments

These fields are not applicable for announcements of appointments pursuant to Rule 704(8)</td><td>Past (for the last 5 years)
<u>Directorship</u>
• Neurons Development Private Limited (struck off)
• SGP Global Private Limited
• Sheng Siong Group Ltd
• Vicom Ltd
• EDU Community Pte Ltd (struck off)
• Kiran Electronic B & C Services Pte Ltd
• Taka Jewellery Holdings Limited (formerly known as TLV Holdings Limited)

<u>Other Principal Commitment</u>
Nil

Present
<u>Directorship</u>
• KTMG Limited
• Seacare Manpower Services Pte Ltd
• Seacare Foundation Pte Ltd
• Seacare Okiki P-Hub (S) Pte Ltd
• Global Resources & Consultants Pte Ltd
• Seacare Medical Holdings Pte Ltd
• Burgundy Investment Holdings Pte Ltd

<u>Other Principal Commitment</u>
Nil</td><td>Past (for the last 5 years)
<u>Directorship</u>
• Hwa Hong Corporation Ptd. Ltd.
• Bondlinc Private Limited
• Future Vision Pte. Ltd.
• Sleek EV Pte. Ltd.

<u>Other Principal Commitment</u>
Nil

Present
<u>Directorship</u>
• Ong Chay Tong & Sons (Private) Limited
• FICA (Pte.) Ltd.
• AP New Energy Pte. Ltd.
• Crushmetric Ecommerce (SEA) Pte. Ltd.
• Norwest Global Trading Pte Ltd
• GG-135-638 Limited

<u>Other Principal Commitment</u>
Management Committee Member, Chairman of Investment and Digitalisation Committee, Chinese Swimming Club</td></tr>
</table>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	GOH YEOW TIN	ONG ENG KEONG
Information required		
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	GOH YEOW TIN	ONG ENG KEONG
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	GOH YEOW TIN	ONG ENG KEONG
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	GOH YEOW TIN	ONG ENG KEONG
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes Mr Goh was an independent director of Singapore Post Limited ("SingPost") from 7 July 2014. He was subsequently re-designated as Executive Director for the period from 1 January 2016 up to 24 June 2016. Mr Goh confirms that he was not the subject of any investigations conducted by PricewaterhouseCoopers LLP and Drew & Napier LLC (collectively, the "Joint Special Auditors") appointed by SingPost on or around 23 December 2015, on the request of one of SingPost's directors, to investigate the issues raised in the media reports in relation to certain acquisitions, including the purchase of the entire issued and paid-up capital of F.S. Mackenzie Limited announced on 18 July 2014. Mr Goh ceased to be a director of SingPost on 24 June 2016 and at that point in time, Mr Goh was not made aware of any investigations that were actually being carried out by any relevant authority in relation to the affairs of SingPost for a breach of any law or regulatory requirement. Mr Goh was not called up by any authority for any interview or to respond to any queries.	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	GOH YEOW TIN	ONG ENG KEONG
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		GOH YEOW TIN	ONG ENG KEONG
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Yes. 2 Year prohibition order issued to Mr Ong on 9th May 2019, ended 9th May 2021, under Section 201(b) of the Securities and Futures Act (Cap 289). During that period, Mr Ong was prohibited from performing any regulated activity under the Securities and Futures Act (SFA) and providing any financial advisory service under the Financial Advisers Act (FAA). In addition, he was also prohibited from taking part in the management, acting as a director or becoming a substantial shareholder of any capital market services firm under the SFA and any financial advisory firm under the FAA.

SENIOR MANAGEMENT

WANG XUEBO

General Manager of Mianzhu Norwest

Mr Wang Xuebo joined the Group in 1996, and was appointed as Director and General Manager of Mianzhu Norwest in 2002 and 2004, respectively. He is responsible for and oversees the overall operations of our Group in the PRC.

Mr Wang held various appointments at Bai Ying Nonferrous Metals Corporation between 1972 and 1976. Between 1979 and 1986, he was a translator for the Northwestern Institute of Mining and Metallurgy. Between 1986 and 1996, he served in various appointments at China Nonferrous Foreign Engineering and Construction Corporation including deputy general manager (Egypt market), general representative (Philippines market) and general manager (international market). Between 1996 and 2008, he also served as the general manager (PRC market) of Hwa Hong Edible Oil Industries Pte. Ltd. ("HHEO") and held various positions in Jining Ningfeng Chemical Industry Co. Ltd. including that of director and general manager.

Mr Wang holds an Executive Master in Business Administration from Southwestern University of Finance and Economics.

Please refer to the Company's announcement on 17 May 2021 on Mr Wang's unexplained absence from 26 October 2020 to 15 May 2021 i.e he was summoned to Kaifeng, Henan Province and detained to assist the Central Commission for Discipline Inspection of the Chinese Communist Party (the "Authorities") in their investigation of alleged breaches of Party Discipline by a certain Government Official in Henan. He has confirmed that the subject matter of the investigation is not connected to the affairs of the Asiaphos Group. He has also confirmed he was not involved in any of the alleged breaches and accordingly was not able to provide any information to the Authorities. He was placed on administrative leave pending the Nominating Committee's review of the circumstances relating to him, and did not receive a salary in FY2022, and resumed duties in March 2023.

JAIME CHIEW CHI LOONG

Chief Risk Officer/Head of Investor Relations

Mr Jaime Chiew joined the Group in 2014 as Chief Risk Officer and is primarily responsible for overseeing the Group's risk management activities, forecasting/budgeting and monitoring of key management processes.

Mr Chiew started his career at Ernst & Young London in 1998 as an audit associate in Insurance/Financial Services, where he qualified as a Chartered Accountant and was promoted to manager within Ernst & Young London's audit/regulatory advisory practice, a position he held until 2006. Between 2006 and 2014, he held various roles in Citibank Asia Pacific, primarily in financial control, planning and analysis.

Mr Chiew holds an Accounting and Finance degree (Honours) from University of Southampton, UK.

He is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW).

CHIA CHIN HAU

Group Financial Controller

Mr Chia Chin Hau joined the Group as Financial Controller in 2008 and was appointed as Manager (Special Projects) in 2012. He assists in the implementation of risk management and internal controls of the operations in the PRC.

Mr Chia Chin Hau was appointed Group Financial Controller with effect from 15 June 2020.

Mr Chia started his career as an audit assistant at Paul Chuah & Co in 1994. Between 1995 and 2000, he served as audit senior with Tay & Associates and Hals & Associates. In 2000, he joined Pembinaan Angkasan Holding Sdn Bhd as accountant. In 2002, he joined HHEO as a special project accountant and was seconded to the PRC subsidiaries of HHEO in the same year, including serving as Financial Controller to Mianzhu Norwest for the period from 2004 to 2008.

Mr Chia holds a Master of Economics from the Universiti Putra Malaysia.

CORPORATE SOCIAL RESPONSIBILITY

Following the cessation of mining in 2017 and production of P4 in 2018, the Group is focused primarily on trading of chemicals and commodity products. We are aware of our responsibility towards the environment, our employees and the local community. We strive to make good use of and conserve resources, protect our environment, improve the welfare of our employees, and facilitate social and economic development of the neighbouring areas. While we expand our business operations, we continuously strive to ensure that the requirements of a responsible corporate citizen are embedded within our daily operations.

ENVIRONMENTAL AND SAFETY

Currently, the company's operations are focused on sales and trading of phosphate products.

We recognise that environmental monitoring is an ongoing obligation. We will continue to invest in safety and environmental protection features in new business that we will acquire.

EMPLOYEES

The Group strives to further improve on human resource recruitment, training, appraisal and remuneration management.

The Group has standardised its form of employment, so as to ensure that the basic rights and interests of employees are protected, and to maintain good labour relations. We purchased all necessary insurance for the employees in accordance with the relevant labour laws. We ensure that our employees and our outsourced workers pass the relevant health checks, possess social and commercial insurance before they undertake any work at our premises.

The Group is committed to staff upgrading. The Group sends employees to attend training, courses and seminars relevant to their scope of work, including orientation training for new employees, training for middle and senior management, professional training and safety training.

SOCIAL

We strive to make a positive impact on the lives of people who live in the areas where we have a presence. We, as far as possible, employ local workers and provide these workers with relevant training and skills development.

The Group is committed to be in strict compliance with the laws, responding positively to government policies, paying taxes in due course, and helping to improve local employment, thus making significant contribution to the local fiscal revenue.

We seek to support and promote local businesses and economic activities by engaging them as suppliers. We currently procure our materials from local suppliers within the vicinity of our operations.

REPORT ON CORPORATE GOVERNANCE

The board ("**Board**") of directors (the "**Directors**") and the management (the "**Management**") of AsiaPhos Limited (the "**Company**") are committed to achieving and maintaining high standards of corporate governance within the Company and its subsidiaries (together, the "**Group**"), so as to ensure greater transparency, accountability, and maximisation of long-term shareholder value.

For the financial year ended 31 December 2023 ("**FY2023**"), the Board and the Management are pleased to confirm that the Company has, in all material aspects, adhered to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and Rule 710 of Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

This report outlines the Company's corporate governance processes and structure, with specific reference to the principles and provisions of the Code. Unless otherwise stated, the corporate governance processes were in place during the financial year.

(A) BOARD MATTERS

Principle 1: The Board's Conduct of Affairs
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

All Directors recognise that they have to discharge their duties and responsibilities in the best interests of the Company and hold management accountable for performance. Each of them is expected to act in good faith, be honest and diligent in exercising his independent judgement in overseeing the business and affairs of the Company. In any situation that involves a conflict of interest with the Group, the Director who face conflicts of interest would recuse himself from discussions and decisions involving the issues of conflict.

While the duties imposed by law are the same for all directors, a listed Board will generally have different classes of directors (Executive, Non-Executive and Independent Directors) with different roles. All Directors are to act in the best interests of the Company as a whole and not of any particular group of shareholders or stakeholders.

Executive Directors are usually members of senior management, and involved in the day-to-day running of the business. Executive Directors are expected to:

- provide insights on the company's day-to-day operations, as appropriate;
- provide Management's views without undermining management accountability to the Board; and
- collaborate closely with Non-Executive Directors for the long term success of the Company.

Non-Executive Directors are not part of Management. They are not employees of the Company and do not participate in the Company's day-to-day management. Non-Executive Directors are expected to:

- be familiar with the business and stay informed of the activities of the Company;
- constructively challenge Management and help develop proposals on strategy;
- review the performance of Management in meeting agreed goals and objectives; and
- participate in decisions on the appointment, assessment and remuneration of the Executive Directors and key management personnel generally.

REPORT ON CORPORATE GOVERNANCE

Independent Directors are Non-Executive Directors who are deemed independent by the Board. Independent Directors have the duties of the Non-Executive Directors, and additionally provide an independent and objective check on Management.

The Board oversees the corporate policy and overall strategy for the Group. The principal roles and responsibilities of the Board include:

– Setting the appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability and ethical culture with the Group;

– Providing entrepreneurial leadership, overseeing the overall strategic plans including considering sustainability, environmental and ethical issues as part of its strategic formulation, strategic human resources framework, and financial objectives of the Group;

– Ensure that sufficient resources are in place to meet the Group's objectives;

– Reviewing the operational and financial performance of the Group, including reviewing the performance of the Management and constructively challenge the Management;

– Approving quarterly financial results announcements, circulars and audited financial statements and annual report of the Company;

– Overseeing and safeguarding the shareholders' interest and Group's assets through a robust system of effective internal controls, risk management, financial reporting and compliance;

– Overseeing and enhancing corporate governance and practices within the Group;

– Dealing with matters such as conflict of interest issues relating to Directors and substantial shareholders of the Company, the Group's annual budget, interested person transactions, major acquisitions and disposals of material assets, dividend and other distributions to shareholders, and those transactions or matters which require the Board's approval under the provisions of the Catalist Rules, from time to time, or any applicable regulations;

– Approving changes in the composition of the Board;

– Identifying key stakeholder groups, ensure transparency and accountability to the stakeholders, and recognising that their perceptions affect the Company's reputation;

– Appointing the senior management, approving the policies and guidelines for the Board and senior management executives' remuneration, in addition to approving the appointment of new Directors;

– Appointment and removal of Company Secretary; and

– Assume responsibility for corporate governance.

REPORT ON **CORPORATE GOVERNANCE**

The Board has delegated specific responsibilities to three (3) Board committees, namely, the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**"), (collectively, the "**Committees**") to support its role and responsibilities. The Committees operate within its own clearly defined terms of references (the "**Charter**") which have been approved by the Board and operating procedures which are reviewed on a regular basis and improved as and when required to meet the changes in laws and other guidelines. All the Committees are chaired by Independent Directors and comprises majority of independent directors. The Committees examine specific issues and report to the Board with their decisions and/or recommendations. While the day-to-day management functions are performed by the Management, the Board is the highest authority of approval and ultimate responsibility for the final decision on all matters lies with the entire Board. The Board is supported by the Company Secretary whole role is clearly defined. The Company Secretary's responsibilities include advising the Board on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required.

The Board may make decisions by way of resolutions in writing. While there is no specific written policy on matters reserved for the Board as this may limit the type of matters or transactions, certain transactions including new material investments, disposal of assets/business and review of interested party transactions (IPT), share issues, all commitments to banks and declaration of dividends are subject to the approval of the Board. Release of financial results and other announcements are also approved by the Board. Other significant matters or transactions for Board's approval are notified by the Management to the Board as and when they occur.

Directors have been able to devote sufficient time to the Group's matters. In order to ensure that each Director is able to commit sufficient time and attention to the matters of the Group, the Board conducts scheduled meetings on a quarterly basis which are scheduled at the beginning of each calendar year. Additional meetings are convened as and when circumstances warrant. The Management provides the Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. The Constitution of the Company allows Board meetings to be conducted via any form of audio or audio-visual communication. The Board is updated on changing commercial risks and key changes in the relevant legal and regulatory requirements, as well as accounting standards.

The Board will receive updates on business and strategic developments of the Group, industry developments and matters related to the Group, at least quarterly. Throughout the financial year, the Directors have separate and independent access to Management, the Company Secretary and external advisers (where necessary) at the Company's expense. The Company adopts a policy which welcomes the Directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from the Management. The Directors are free to discuss any information or views presented by any member of the Board and the Management. Additional information, where needed, are provided in a timely manner.

Where necessary or appropriate, members of the Board exchange views outside the formal environment of Board meetings. All Directors exercise due diligence and independent judgment and are obliged to act in good faith and at all times consider the best interests of the Company as fiduciaries of the Company.

REPORT ON **CORPORATE GOVERNANCE**

The attendance of the Directors at the meetings of the Board and the Committees and the Annual General Meeting during FY2023 is disclosed below:

Name of Director	Number of meetings attended in FY2023				
	Board	AC	NC	RC	Annual General Meeting
Goh Yeow Tin	4	4	2	1	1
Dr. Ong Hian Eng(2)(5) ("**Dr Ong**")	4	4(1)	2	1(1)	1
Francis Lee Fook Wah ("**Francis Lee**")(5)	4	4	2	1	1
Ong Eng Hock Simon(3) ("**Simon Ong**")	4	4	2(1)	1	1
Ong Eng Keong(4)	–	–	–	–	–
Number of meetings held in FY2023	**4**	**4**	**2**	**1**	**1**

Notes:

(1) Attended as invitee.

(2) Dr Ong is the father of our Executive Director, Mr Ong Eng Keong, uncle of our Non-Executive Non-Independent Director, Mr Simon Ong and a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa.

(3) Mr Simon Ong is the nephew of Dr Ong, the brother of a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa and cousin of Mr Ong Eng Keong.

(4) Mr Ong Eng Keong is appointed to the Board on 22 March 2024. He is the son of Dr Ong and cousin of Mr Simon Ong and the cousin of a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa.

(5) Dr Ong will not stand for re-election and will retire in the upcoming AGM while Mr Francis Lee will retire after the conclusion of the forthcoming AGM.

Newly appointed Directors will be given briefings and orientation by the Executive Director and the Management to familiarise themselves with the businesses and operations of the Group. The newly appointed Directors will also conduct a site visit to the Group's production facilities. The newly appointed Directors will be given relevant information, such as annual reports, latest internal audit reports, internal risk assessment reports and latest external auditor report, so that they understand the Group's financial and control environment as well as the significant risks faced by the Group. A formal letter will be sent to newly appointed Directors upon their appointment explaining, among other things, their roles, duties and responsibilities as members of the Board.

Under Catalist Rule 406(3)(a), where the Company appoints a director with no prior experience as a director of a Singapore-listed company, the new appointee would be required to attend the Listed Company Director Programme conducted by the Singapore Institute of Directors. Directors may join institutes and group associations of specific interests, and attend relevant training seminars or informative talks from time to time so that they are in a better position to discharge their duties. The Company encourages the Directors to attend courses in areas of directors' duties and responsibilities, corporate governance, changes in new rules and regulations and industry-related matters, at the Company's expense. During FY2023, the Board was provided with information on accounting and regulatory updates, including the Singapore Financial Reporting Standards (International), Catalist Rules, Companies Act 1967 as well as other updates issued by the SGX-ST and the Monetary Authority of Singapore, where applicable. The Directors have attended the training on sustainability matters as prescribed by SGX-ST (with one exception, i.e. there was one new director appointed during 2024). New Directors will be encouraged to attend the relevant courses (including training on sustainability matters as prescribed by SGX-ST) within a reasonable timeframe.

REPORT ON CORPORATE GOVERNANCE

Principle 2: Board Composition and Guidance
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the company.

As at the date of this report, the Board comprises five (5) Directors, details of whom are set out below. The Board is not required to be made up of a majority of Independent Directors as the Chairman, Mr Goh Yeow Tin, is an Independent Non-Executive Director. Together with Mr Simon Ong, a Non-Independent Non-Executive Director and Mr Francis Lee, an Independent Non-Executive Director, the Non-Executive Directors make up a majority of the Board.

Director	Age	Designation	Date of Appointment as Director	Date of Last Re-Election as Director	AC	NC	RC
Goh Yeow Tin(1)	73	Chairman, Non-Executive and Independent	22 August 2013	27 April 2022	Member	Chairman	Chairman
Dr. Ong(2)(4)	77	Executive, Chief Executive Officer ("**CEO**")	3 January 2012	27 April 2022	–	Member	–
Ong Eng Keong(3)	46	Executive, CEO-designate	22 March 2024	Not Applicable	–	Member-designate (after AGM)	–
Simon Ong(2)	59	Non-Executive and Non-Independent	1 October 2012	29 April 2023	Member	–	Member
Francis Lee(4)	58	Non-Executive and Independent	22 August 2013	29 April 2023	Chairman	Member	Member

Notes:

(1) Mr Goh Yeow Tin will retire pursuant to Article 88 of the Constitution of the Company and is subject to re-election as a Director at the forthcoming Annual General Meeting ("**AGM**") of the Company to be held on 30 April 2024.

(2) Dr Ong will retire pursuant to Article 88 of the Constitution of the Company and is subject to re-election as a Director at the forthcoming AGM of the Company to be held on 30 April 2024 and will not be seeking re-election. Co-terminus with his retirement, Dr Ong's appointment on the Nominating Committee shall also cease. Dr Ong is the father of our Executive Director, Mr Ong Eng Keong, and uncle of our Non-Executive Non-Independent Director, Mr Simon Ong and a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa.

(3) Mr Ong Eng Keong is the son of our CEO and Executive Director, Dr Ong and cousin of our Non-Executive Non-Independent Director, Mr Simon Ong and a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa. He will retire pursuant to Article 87 of the Constitution of the Company and is subject to re-election as a Director at the forthcoming AGM of the Company to be held on 30 April 2024. He will also assume the role of CEO and member of NC upon Dr Ong's retirement upon the conclusion of the AGM.

(4) Dr Ong will not stand for re-election and will retire in the upcoming AGM while Mr Francis Lee will retire after the conclusion of the forthcoming AGM.

The Board, based on the views of the NC, determines on an annual basis whether or not a Director is independent, after taking into account the provisions provided under the Code and other relevant circumstances and facts. The NC has assessed the independence of each Independent Director and considered that Mr Goh Yeow Tin and Mr Francis Lee to be independent under the Code as well as the Catalist Rules up to the end of FY2023 (Note: both Mr Goh and Mr Francis Lee have served on the Asiaphos board since August 2013, i.e. for a period of more than 9 years and as such both of them cannot be deemed as independent directors beyond the AGM date). Each member of the NC has abstained from deliberations in respect of the assessment of his own independence.

REPORT ON **CORPORATE GOVERNANCE**

The Board has also sought and obtained written confirmation from each of the Independent Directors that, apart from their office as Directors, none of them has any relationship (business or otherwise) with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement in the best interests of the Company.

All Directors have equal responsibilities for the Group's operations. The role of the Non-Executive Directors is important in ensuring that all strategies and objectives proposed by the Management are fully discussed and examined, and take into account not only the long-term interests of the shareholders, but also all other stakeholders. The Non-Executive Directors constructively challenge and assist in the development of the business strategies and assist the Board in reviewing and monitoring the Management's performance.

Where necessary or appropriate, the Independent Directors may meet separately without the presence of the Management. Three of the Directors (Dr Ong, Mr Simon Ong and Mr Ong Eng Keong) would recuse himself/themselves during such meetings given their familial relationship with the Management.

The Singapore Exchange Regulation ("**SGX RegCo**") had announced on 11 January 2023 (the "**Announcement**") to limit the tenure of independent directors serving on the boards of listed companies to nine (9) years. As a transition, independent directors whose tenure exceed the nine-year limit can continue to be deemed independent until the company's annual general meeting held for the financial year ending on or after 31 December 2023.

As at the date of this annual report, Mr Goh Yeow Tin and Mr Francis Lee have each served on the Board beyond nine years since the date of their first appointment. Pursuant to the Announcement, Mr Goh Yeow Tin and Mr Francis Lee may remain as Independent Directors until the conclusion of the forthcoming AGM of the Company to be held on 30 April 2024. Mr Goh will be re-designated from Independent and Non-Executive Chairman to Non-Independent and Non-Executive Chairman while Mr Francis Lee will retire as Independent and Non-Executive Director after the conclusion of the forthcoming AGM.

Upon retirement of Mr Francis Lee and Dr Ong, and redesignation of Mr Goh as non-independent director, the Company recognises that it will need to quickly identify and appoint suitable candidates for the independent director roles, otherwise the Board composition will not be in compliance with Catalist Rules (Rule 406(3)(c) and provisions of the Code of Corporate Governance (e.g. Provision 2.2 of the CG, which states that "Independent directors make up a majority of the Board7 where the Chairman is not independent" and Provision 3.3). The Board renewal process is in-progress, with the aim to appoint new independent directors within 2-3 months following the AGM, in-line with SGX and CG guidance (i.e. within two months, but in any case not later than three months after such retirements (Dr Ong and Mr Francis Lee) and redesignation (Mr Goh) become effective). In order to comply with the Code of Corporate Governance guidance, upon the identification and appointment of the new independent directors, the Company will revisit the composition of the Board and its Board Committees with the aim of appointing a new independent director as Chairman of the Board and its Board Committees.

The Board and the NC have commenced the search for suitable candidates to fill the vacancies. If need be, the NC may also engage external search consultants to search for candidates at the Company's expense. The NC will, amongst others, review the candidate's credentials, and assess the candidate's competency, suitability and ability to devote sufficient time for the Company. The NC will thereafter provide its recommendations to the Board for approval. The Board will make appropriate announcements to update shareholders in due course.

REPORT ON CORPORATE GOVERNANCE

The Board has considered the relevant Code of Corporate Governance/Practice Guidance (including Provision 2.4 on appropriate level of independence and diversity) and adopted a board diversity policy which requires the NC to discuss and agree the relevant measurable objectives for promoting and achieving adequate diversity on the Board and make recommendations for consideration and approval by the Board. The NC will monitor and implement this policy, and will take the principles of the policy into consideration when determining the optimal composition of the Board, and when recommending any proposed changes to the Board. On the recommendation of the NC, the Board may set certain measurable objectives and specific diversity targets, with a view to achieving an optimal Board composition, and these objectives and specific diversity targets may be reviewed by the NC from time to time to ensure their appropriateness.

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Board diversity policy which endorses the principle that its Board should have the balance of skills, knowledge, experience and other aspects of diversity that support the Company in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Company can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the Board diversity policy provides for the NC to consider a combination of factors such as skills, knowledge, professional experience, educational background, gender, age, and length of service. The skills, knowledge and experience to be considered include finance, accounting, business acumen, management experience, exchange industry knowledge, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls.

A skills matrix is used to help identify the gaps. The skills matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as industry knowledge; financial markets; regulation, compliance and/or government relations; leadership; cybersecurity and technology; environmental, social and governance (ESG), and also where such skills, knowledge and professional experience were acquired or utilised geographically.

Suitable candidates will then be identified, including through external search firms. External search firms that are engaged, are instructed that diversity is a key criterion in the search and in particular, gender diversity. We are undergoing a board renewal process and we will consider female candidates when we appoint new independent directors.

Following its assessment of the candidates, the NC will then interview the short-listed candidates. The NC will thereafter make its recommendations to the Board including appointments to the appropriate Board committee(s) after matching the candidates' skills-set to the needs of each Board committee. The Board, taking into account the views of the NC, will consider if its Directors meet the criteria under its Board diversity policy and possess the necessary competencies to govern the Company effectively.

Pursuant to CR710A(2), the Company wishes to disclose the following:

(a) the issuer's targets to achieve diversity on its board: "*We are undergoing a board renewal process and we will consider female candidates when we appoint new independent directors*";

(b) the issuer's accompanying plans and timelines for achieving the targets: "*Our priority is to restore profitability and building shareholder value, and we will increase board size when circumstances allow*".

In terms of gender representation, the current Board consists of five men and no woman sits on the Board. Nonetheless, the Board would consider appointing a female director when there is a need to appoint a new director.

REPORT ON **CORPORATE GOVERNANCE**

Following the appointment of Mr Ong Eng Keong on the Board, the Board has made progress in achieving greater skillsets, knowledge and age diversity. For the upcoming vacancies arising from the retirement of Dr Ong and Mr Francis Lee, the NC will consider the various aspects of board diversity to search for right candidates to be appointed to the Board. Our priority is to restore profitability and building shareholder value, and we will increase board size as soon as practicable and when circumstances allow.

The Board also recognises that gender diversity is only one aspect of Board diversity. In terms of qualifications and competencies, members of the Board include seasoned professionals in investment, financial, accounting and legal fields. The Board believes that its members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The profiles of the Directors are on pages 8 to 10 of the Annual Report.

The Board is of the view that the current composition of the Board, including its diversity, is appropriate and serves the requirements of the Group's current businesses. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of its members, the NC will consider the various aspects of board diversity, and set practical timelines to implement the policy. It will also report to the Board on an annual basis on the progress made in promoting and achieving its board diversity objectives.

Principle 3: Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

To maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the roles of the Chairman and CEO of the Company are separate. The Chairman of the Board, Mr Goh Yeow Tin, is an Independent Non-Executive Director and Dr. Ong is the CEO. The Chairman and the CEO are not related.

The Chairman

– provides overall leadership to the Board, and with the help of the Company Secretary, ensures that Board meetings are held as and when necessary and sets the meeting agenda in consultation with the CEO and fellow Directors and other executives, and if warranted, with professional advisors, and ensures adequate time allocated to discuss the items;

– assumes the lead role in promoting high standards of corporate governance processes as well as the culture of openness and debate at Board meetings and ensures effective communication with shareholders. He ensures that the directors receive complete, adequate and timely information and facilitate the effective contribution from other Board members;

– encourages constructive relations within the Board and between the Board and the Management, and facilitates communication between the Board and shareholders or other stakeholders of the company; and

– provides clear oversight, advice and guidance to the Management on strategies and business operations.

The CEO has the executive responsibility over the business directions and operational decisions of the Group and is responsible for implementing the Group's strategies and policies.

REPORT ON CORPORATE GOVERNANCE

The Board does not have a lead Independent Director. In situations where a director faces a potential conflict of interest in the matter discussed, he is required to abstain from all discussions and decision making involving that matter. In situations where there are concerns and for which contact through the normal channels of communication with the Chairman or the Management are inappropriate or inadequate, the Group has a whistle-blowing policy (including anti-corruption in-scope) whereby staff of the Group and relevant external parties may, in confidence, raise concerns about possible irregularities in matters of financial reporting or other matters. The policy defines the processes clearly to ensure independent investigation of such matters and permits whistle blowers to report directly either to their supervisor or the chairman of the AC in writing or telephone or meet in confidence at a location to be determined together. The chairman of the AC is a Non-Executive Independent Director.

Consequently, the Company believes that it has implemented a whistleblowing policy (including anti-corruption in-scope) aligned to the relevant Catalist Rules and the Code, namely:

(a) the issuer has designated an independent function to investigate whistleblowing reports made in good faith (i.e. the Audit Committee);

(b) the issuer ensures that the identity of the whistleblower is kept confidential;

(c) the issuer confirms its commitment to ensure protection of the whistleblower against detrimental or unfair treatment; and

(d) the Audit Committee is responsible for oversight and monitoring of whistleblowing. For FY2023, there has been no whistleblowing incidents reported.

Principle 4: Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises three (3) Directors, of which two (2), including the NC Chairman, are non-executive and independent. The composition of the NC is as follows:

– Mr Goh Yeow Tin (Chairman, Independent Non-Executive Director)

– Mr Francis Lee (Member, Independent Non-Executive Director)

– Dr Ong (Member, CEO and Executive Director)

– Mr Ong Eng Keong (Member, CEO (upon Dr Ong's retirement upon the conclusion of the AGM) and Executive Director)

Notes: Dr Ong will not stand for re-election and will retire in the upcoming AGM while Mr Francis Lee will retire after the conclusion of the forthcoming AGM. Mr Goh will be re-designated as non-independent director/Chairman of the Board. The composition of NC will not be in compliance with provision 4.2 of CG once those retirements (Dr Ong and Mr Francis Lee) and re-designation of Mr Goh become effective, until the appointment of replacement independent directors. The Company has commenced a search to appoint replacement independent directors, and will make the appropriate announcements/ reconstitute the Board and its committees within two months, but in any case not later than three months after such retirements (Dr Ong and Mr Francis Lee) and redesignation (Mr Goh) become effective. In order to comply with the Code of Corporate Governance guidance, upon the identification and appointment of the new independent directors, the Company will revisit the composition of the Board and its Board Committees with the aim of appointing a new independent director as Chairman of the Board and its Board Committees.

REPORT ON **CORPORATE GOVERNANCE**

The NC meets at least once a year. Additional meetings are scheduled if considered necessary by the chairman of the NC. During the financial year, the NC held one (1) scheduled meeting, which all members attended.

The NC makes recommendations to the Board on all Board appointments. The key duties and responsibilities of the NC under its Charter include:

– Reviewing board succession plans for Directors and key management personnel meaning the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company as defined in the Code ("**KMP**"), in particular, the Non-Executive Chairman and the CEO;

– Developing a process for evaluation of the performance of the Board, Committees and Directors;

– Reviewing the training and professional development programs for the Board;

– Reviewing and sighting of all resignation and authorisation letters of the Legal Representatives of Sichuan Mianzhu Norwest Phosphate Chemical Company Limited ("**Mianzhu Norwest**") and the Group's other subsidiaries in the Peoples' Republic of China (the "**PRC**") which have been signed and held in custody by the Company Secretary;

– Appointing and re-appointing Directors (including alternate Directors, if applicable);

– Determining annually, and as and when circumstances require, whether or not a Director is independent, bearing in mind the salient factors set out in the Code and the Catalist Rules;

– Where a Director has multiple board representations on various companies, determining if the Director is able to and has been adequately carrying out his duties as a director of the Company, having regard to the Director's number of listed company board representations and other principal commitments;

– Reviewing and approving any new employment of related persons and the proposed terms of their employment;

– Deciding how the Board's performance is to be evaluated and proposing objective performance criteria, which allow for comparison with industry peers, and should be approved by the Board and address how the Board has enhanced long-term shareholder value;

– Assessing the effectiveness of the Board as a whole and its committees and assessing the contribution by the Chairman of the Board and each individual Director to the effectiveness of the Board and implementing performance evaluation established and approved by the Board;

– Implementing a process for assessing the effectiveness of the Board as a whole and its Committees and assessing the contribution by the Chairman of the Board and each individual Director to the effectiveness of the Board;

– Assessing whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for board and committee meetings, and any other duties);

– Reviewing and making recommendations on all nominations of Directors (including the Independent Directors) for re-appointment and re-election having regard to the Director's past contributions and performance;

REPORT ON CORPORATE GOVERNANCE

- Establishing the criteria and desirable attributes of new appointees to the Board and to make recommendations to the Board on all Board appointments including Committee appointments; and

- Engaging external search consultants to search for new Directors, if necessary.

The NC generally avoids recommending the appointment of alternate directors. Alternate directors should only be appointed for limited periods in exceptional cases such as when a director has a medical emergency. For appointment of an individual as alternate Director to an Independent Director, NC would review and conclude that the individual would similarly qualify as an Independent Director, before his appointment as an alternate Director. None of the Directors has an alternate Director. As a Director is expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

The retiring Directors submit themselves for re-nomination and re-election. Accordingly, Mr Goh Yeow Tin, Dr Ong and Mr Ong Eng Keong are the three (3) Directors retiring via rotation at the forthcoming AGM. Mr Goh Yeow Tin and Mr Ong Eng Keong are eligible and had consented to being re-elected. However, Dr Ong will not be seeking re-election at the forthcoming AGM and will retire at the conclusion of the AGM. Francis Lee will also retire at the forthcoming AGM in view of 9 years rule for independent directors.

The NC, having considered their performance and contribution, has recommended Mr Goh Yeow Tin and Mr Ong Eng Keong for re-election at the forthcoming AGM. Subject to being duly re-elected at the forthcoming AGM, Mr Goh Yeow Tin will remain as Chairman of the Board, and a Non-Executive and non-Independent Director, Chairman of the NC and RC and a Member of the AC, and Mr Ong Eng Keong will remain as an Executive Director, and is expected to assume the role of CEO and member of the NC after the upcoming AGM following Dr Ong's retirement.

Notes: Dr Ong will not stand for re-election and will retire in the upcoming AGM while Mr Francis Lee will retire after the conclusion of the forthcoming AGM. Mr Goh will be re-designated as non-independent director. The Company has commenced a search to appoint replacement independent directors, and will make the appropriate announcements/reconstitute the Board and its Committees within two months, but in any case not later than three months after such retirements (Dr Ong and Mr Francis Lee) and redesignation (Mr Goh) become effective. In order to comply with the Code of Corporate Governance guidance, upon the identification and appointment of the new independent directors, the Company will revisit the composition of the Board and its Board Committees with the aim of appointing a new independent director as Chairman of the Board and its Board Committees.

Based on the board diversity policy, in assessing and recommending a candidate for appointment to the Board, the NC takes into consideration the balance and diversity of background, qualifications, experience, gender and knowledge that the candidate brings, having regard to the skills required and the skills represented by the Board. Other important issues to be considered as part of the process for the selection, appointment and re-appointment of Directors include composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour), if applicable, as an Independent Director. The search for a suitable candidate could be drawn from contacts and network of existing Directors or external recommendations. The NC may also engage external search consultants to search for new Directors at the Company's expense.

The NC has assessed the Independence of each Independent Director and considered that Mr Goh Yeow Tin and Mr Francis Lee to be independent under the Code as well as the Catalist Rules up to the end of FY2023 (Note: both Mr Goh and Mr Francis Lee have served on the Asiaphos board since August 2013, i.e. for a period of more than 9 years; As such, both of them cannot be deemed as independent directors beyond the AGM date). Each member of the NC has abstained from deliberations in respect of the assessment of his own independence. Each Independent Director has also provided written confirmation to the NC that he has no relationship (business or otherwise) with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence.

REPORT ON **CORPORATE GOVERNANCE**

The NC considered, and is of the opinion, that the multiple board representations held by Directors of the Company do not impede their performance in carrying out their duties to the Company. For FY2023, after reviewed the number of directorships and time involved in the Company of every Director, the Board did not set any cap on the number of directorships given that all Non-Executive or Independent Directors were able to dedicate their time to the business of the Company and diligently discharge their duties. The NC believes that each individual Director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a Director, bearing in mind his other commitments. Nevertheless, if the Board finds that time commitment is lacking from any particular Director, they may consider imposing a cap in future.

The key information, including listed company directorships and principal commitments, regarding the Directors are set out on pages 8 to 10 of this Annual Report.

Additional information on Mr Goh Yeow Tin and Mr Ong Eng Keong, being the Directors who have been nominated for re-election, required under Appendix 7F of the Catalist Rules are set out on pages 12 to 20 of the Annual Report.

Principle 5: Board Performance
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC is responsible for assessing the effectiveness of the Board as a whole and its Committees and for assessing the contribution of each individual Director. The NC decides how the Board's performance may be evaluated and proposes objective performance criteria that are approved by the Board.

The criteria for evaluation of the performance of individual Directors include qualitative and quantitative factors such as performance of principal functions and fiduciary duties, Director's attendance at meetings and his contribution and performance at such meetings. The performance evaluation includes preparedness, intensity of participation and candour at meetings and the Director's accessibility to Management for guidance or exchange of views outside the formal environment of the meetings. The NC and the Board strive to ensure that each Director, with his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. Contributions by a Director can also take other forms, including providing objective perspective on issues, facilitating business opportunities and strategic relationships.

The NC has in place an annual performance evaluation process for assessing the effectiveness of the Board as a whole and its Committees. The Company Secretary will collate the evaluations and provide the summary observations to the Chairman of the NC. The NC would discuss and review the evaluations and feedback, before concluding on the performance results and recommends the steps which need to be taken to strengthen the Board's stewardship. The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any criteria to be changed, the NC will justify such changes.

The NC had, at a meeting held in February 2024, assessed the performance of the Board, each Director and its Committees. The Board and its Committee assessments utilise a confidential questionnaire, covering areas such as Board's and Committees' composition, Board's processes in managing the Group's performance and the effectiveness of the Board in its monitoring role and the effectiveness of the respective Committees. The assessment of the individual Directors is based on knowledge and experience, attendance and contributions during scheduled and ad-hoc Board and Committee meetings, as well as commitment to their role as Directors. In assessing the contributions of each Director (and contribution by the Chairman and the sub-committees as well), the NC also takes into consideration the in-depth knowledge and insights shared by each Director during discussions and meetings, in their respective areas of expertise in the fields of engineering, business and management, accounting and finance.

REPORT ON CORPORATE GOVERNANCE

The NC, in consultation with the Chairman, having reviewed the performance of the Board and its Committees in terms of its roles, responsibilities and the conduct of its affairs as a whole, is of the view that the Board and its Committees have operated effectively and each Director has contributed to the overall effectiveness of the Board in FY2023. No external facilitator was used in the evaluation process.

(B) REMUNERATION MATTERS

Principle 6: Procedures for developing remuneration policies
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his own remuneration.

Remuneration matters are discussed and reviewed by the RC. The RC comprises entirely of Non-Executive Directors, of which two (2), including the RC Chairman, are independent. The composition of the RC is as follows:

– Mr Goh Yeow Tin (Chairman, Non-Executive and Independent Director)

– Mr Francis Lee (Member, Non-Executive and Independent Director)

– Mr Simon Ong (Member, Non-Executive and Non-Independent Director)

Notes: Dr Ong will not stand for re-election and will retire in the upcoming AGM while Mr Francis Lee will retire after the conclusion of the forthcoming AGM. Mr Goh will be re-designated as non-independent director. The composition of RC will not be in compliance with provision 6.2 of CG once those retirements (Dr Ong and Mr Francis Lee) and re-designation of Mr Goh are effective, until the appointment of replacement independent directors. The Company has commenced a search to appoint replacement independent directors, and will make the appropriate announcements/reconstitute the Board Committees within two months, but in any case not later than three months after such retirements (Dr Ong and Mr Francis Lee) and redesignation (Mr Goh) become effective. In order to comply with the Code of Corporate Governance guidance, upon the identification and appointment of the new independent directors, the Company will revisit the composition of the Board and its Board Committees with the aim of appointing a new independent director as Chairman of the Board and its Board Committees.

During FY2023, there was one (1) RC meeting held which all members attended.

The roles, duties and responsibilities of the RC cover the functions described in the Code including but not limited to, the following:

– Reviewing and recommending to the Board a general framework of remuneration for the Board and KMP of the Company and reviewing and recommending to the Board specific remuneration packages for each Director and KMP. The level and structure of remuneration packages shall be aligned with the long-term interest and risk policies of the Company, and shall be appropriate to attract, retain and motivate (i) the Directors to provide good stewardship of the Company; and (ii) the KMP to successfully manage the Company;

– Submitting recommendations of remuneration for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards, benefits-in-kind and termination benefits, are covered by the RC;

– Seeking expert advice inside and/or outside the Company on remuneration of all Directors, and ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

REPORT ON CORPORATE GOVERNANCE

– Determining the contents of any service contracts for any Executive Director or KMP, and to consider what compensation commitments the Executive Director's or KMP's contracts of service, if any, would entail in the event of termination to ensure that such service contracts contain fair and reasonable termination clauses, with a view to be fair and avoid rewarding poor performance;

– Administering and approving any long-term incentive schemes (including share schemes as may be implemented) which may be approved by shareholders and to consider whether Executive Director or KMP should be eligible for benefits under such long-term incentive schemes; and

– Considering the implementation of schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of shareholders.

No member of the RC is involved in setting his own remuneration package. As and when deemed appropriate by the RC, independent expert advice is, or will be, sought at the Company's expense. The Board has not engaged any external remuneration consultant to assist in the review of compensation and remuneration for the FY2023.

All recommendations made by the RC on the remuneration of Directors and KMP will be submitted for endorsement by the Board.

Principle 7: Level and Mix of Remuneration
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Non-Executive Directors receive directors' fees after taking into consideration the performance of the Group and individual assessment of each Non-Executive Director, the level of contribution to the Company and Board, taking into account various factors including, but not limited to, efforts and time spent, responsibilities and duties of the Directors. The review of remuneration packages takes into consideration the financial performance, business needs, long term interests of the Group.

The Group considers profits to be the main condition for the determination of payment of incentives to the Management as this will align performance to shareholders' interest. The Group recognises that the remuneration should be linked to performance and has structured the service agreements accordingly. The Group will continue to reward the Executive Director and KMP based on achievement of long-term goals set by the Board.

The Directors' fees of the Non-Executive Directors took into account of factors such as efforts, time spent and responsibilities of the Non-Executive Directors. The RC recommends to the Board the quantum of Directors' fees and the Board in turn endorses the recommendation for shareholders' approval at each AGM. To facilitate timely payment of Directors' fees, the Company has recommended for the Directors' fees to be paid, in arrears, on a quarterly basis.

For FY2023, the RC had reviewed the service agreements and compensation packages of the Executive Director and KMP. The service agreements are for an initial period of three (3) years (unless terminated by (i) either party giving not less than six (6) months' notice in writing to the other; or (ii) the Company paying salary in lieu of the period of time) with effect from the date of admission of the Company to Catalist on 7 October 2013. Upon expiry of the initial three (3) years, unless either party notifies the other in writing at least six (6) months prior to the last day of the existing period, the service agreements for the Executive Director and the KMP shall automatically be renewed for a further period of three (3) years on the same terms and conditions.

REPORT ON CORPORATE GOVERNANCE

These service agreements cover the terms of employment and the salaries and bonuses of the Executive Director and the KMP. The Company may terminate a service agreement if, *inter alia*, the relevant Executive Director or KMP is guilty of dishonesty or serious or persistent misconduct, becomes bankrupt or otherwise acts to the Company's prejudice. The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Director and KMP in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Director and KMP, "claw-back" provisions in the service agreements may not be relevant or appropriate.

Directors' fees do not form part of the terms of these service agreements of the Executive Director. There are no termination, retirement or post-employment benefits that may be granted to the Executive Director and KMP.

Pursuant to the terms of the service agreement with the Executive Director and the KMP, they are each entitled to a basic monthly salary, an annual wage supplement of one (1) month's salary and an annual incentive bonus based on the Group's profit before tax.

The said service agreements were automatically renewed for a period of three (3) years upon expiry on the same terms and conditions, save that the basis in computing the Group's profit before tax for determining the annual incentive bonus was clarified in the renewed service agreements to be profits in the ordinary course of business and excluding fair value gains and losses unless they are realised.

In FY2023, the Group incurred total comprehensive losses (from continuing operations) of approximately S$4.17 million (excluding discontinued operations and the writeback of provision for impairment of P4/ other assets). As such, the Executive Director and the KMP did not receive any incentive bonus and annual wage supplement.

The reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Director and KMP commensurate with their performance and that of the Company, giving due consideration to the financial health and business needs of the Group. The performance of the CEO (together with KMP) is reviewed periodically by the RC and the Board.

The RC will ensure that the Independent Directors are not overcompensated to the extent that their independence may be compromised.

During FY2023, the RC reviewed the Non-Executive Directors' fees, compensation and remuneration packages for the Executive Director and KMP and believes that those are appropriate to attract, retain and motivate the Non-Executive Directors and Executive Director to provide good stewardship of the Company and KMP to successfully manage the Group for the long-term as the Directors and the Management are sufficiently compensated.

REPORT ON CORPORATE GOVERNANCE

Principle 8: Disclosure on Remuneration
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, the performance and value creation.

The breakdown (rounded to nearest thousands of dollar) of the remuneration of Directors for the FY2023 is set out below:

	Salary and allowance (S$'000)	Directors' fees (S$'000)	Total (S$'000)
Goh Yeow Tin	–	36	36
Dr Ong(1)(2)(3)	116	–	116
Francis Lee	–	36	36
Simon Ong(1)(2)(3)	–	36	36
Ong Eng Keong(1)(2)(3)	–	–	–

Notes:

(1) Dr Ong is the father of our Executive Director, Mr Ong Eng Keong, uncle of our Non-Executive Non-Independent Director, Mr Simon Ong and a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa.

(2) Our Non-Executive Non-Independent Director, Mr Simon Ong and a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa are siblings. They are also nephews and niece of Dr Ong and cousin of Mr Ong Eng Keong.

(3) Mr Ong Eng Keong is appointed to the Board on 22 March 2024. He is the son of Dr Ong and cousin of Mr Simon Ong and a substantial shareholder of the Company, Ms Ong Bee Kuan Melissa.

Given the highly competitive conditions of the business environment of the Group and the sensitive nature of the subject, the Group believes that the disclosure of the total remuneration of each individual KMP as recommended by the Code may not be in the best interest of the Group. Nevertheless (and having noted the Practice Guidance 8 "Disclosure on Remuneration"), the Group has sought to provide the remuneration of these executives in the bands of S$250,000 and also a breakdown in percentage terms. For FY2023, the Company only has four (4) KMPs (who are not Directors or the CEO). The breakdown (in percentage terms) of the remuneration of the KMPs (who are not Directors or CEO) for FY2023 is set out below:

Below S$250,000	Designation, Name of Entity	Salary and allowance (%)
Wang Xuebo	General Manager, Mianzhu Norwest	100.0
Xu Long	Deputy General Manager, Mianzhu Norwest	100.0
Jaime Chiew Chi Loong(1)	Chief Risk Officer, Company	100.0
Chia Chin Hau	Group Financial Controller, Company	100.0

Note:

(1) Our Chief Risk Officer ("CRO"), Mr Jaime Chiew Chi Loong, is the spouse of our former Non-Executive Non-Independent Director, Ms Ong Bee Pheng and the son-in-law of our CEO and Executive Director, Dr. Ong (i.e. who are substantial shareholders and together with the other members of the Ong family represent the controlling shareholders). Mr Jaime Chiew Chi Loong's annual remuneration for FY2023 was between S$100,000 and S$150,000. Mr Chiew is the brother-in-law to Mr Ong Eng Keong, Executive Director.

There were no variable and performance bonuses and long-term incentive paid to the KMP (who are not Directors or CEO) in FY2023.

REPORT ON CORPORATE GOVERNANCE

In aggregate, the total remuneration paid to the KMP (who are not Directors or the CEO) was S$331,800 in FY2023.

No termination, retirement and post-employment benefits were granted to the Directors, CEO and KMP (who are not Directors or the CEO) of the Group in FY2023.

Save as disclosed, there were no employees of the Company who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 during the financial year.

Share options scheme and performance share scheme

The Company had adopted a performance share plan known as the "AsiaPhos Performance Share Plan" (the "**Share Plan**" or "**PSP**") which was approved by the shareholders of the Company at an extraordinary general meeting held on 22 August 2013. The Share Plan had expired on 22 August 2023.

The Company acknowledges that Practice Guidance 8 and PG 8.7 (in the Code of Corporate Governance) recommends the adoption of PSP or Employee Share Option Plans ("ESOS") where applicable. Our priority is to restore profitability and building shareholder value, and the Company will endeavour to revisit the matter of PSP/ESOS when circumstances allow, and the Board will seek the approval of members in general meeting and of any relevant authorities which may then be required in case of adopting a new performance share plan. The Share Plan was administered by the RC and no awards had been granted to any participant under the Share Plan since its adoption.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board ensures a sound system of risk management and internal controls. The Board also instils the right risk focused tone at the top for effective risk governance throughout the Group.

The Group does not have a formal risk management committee. However, the Company has appointed Mr Jaime Chiew Chi Loong, the CRO, to oversee the Group's risk management activities. The AC, on behalf of the Board, with the assistance of the CRO, reviews the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems established by the Management at least annually. This ensures that such system is sound, adequate and effective to provide reasonable assurance in safeguarding shareholders' interests and the Group's assets.

The Group's internal controls and risk management systems are designed to provide reasonable assurance to the integrity and reliability of the financial information, and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and evaluate potential financial implications, as well as for the authorisation of material capital expenditure and investments.

The Management regularly reviews the Group's business and operations to identify areas of significant business risks and set out appropriate mitigating actions and monitoring mechanisms to respond to these risks. The Management will highlight all significant matters to the AC and Board. The Board is ultimately responsible for the governance of risk and exercises oversight in risk management strategy and framework.

The Risk Statement can be found on page 49 of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

The Group's financial risk management objectives and policies are discussed further in note 36 to the financial statements. For FY2023, the Board has also received assurance from the CEO, CRO and Group Financial Controller, that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) the Group's risk management and internal control systems are adequate and effective. Both the Board and the AC did not identify any material weaknesses in the Group's internal controls in FY2023.

Based on the internal controls established and maintained by the Group, the statutory audit conducted by the external auditor, and reviews performed by the Management and the AC, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls addressing financial, operational, compliance, information technology controls, risk management systems or significant business risks are adequate and effective to meet the needs of the Group in its current business environment as at 31 December 2023.

The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee
The Board has an Audit Committee (AC) which discharges its duties objectively.

The AC comprises three (3) members, all of whom are non-executive. Two (2) of the members, including the AC Chairman, are Independent Directors. The members of the AC are:

– Mr Francis Lee (Chairman, Non-executive Independent Director)

– Mr Goh Yeow Tin (Member, Non-executive Independent Director)

– Mr Simon Ong (Member, Non-executive Non-Independent Director)

In FY2023, the Board has assessed and reviewed, together with the assistance of the NC, and are of the view that the members of the AC are appropriately qualified to discharge their responsibilities. The Board's view is that adequate and reasonable assistance and support have been properly rendered by the Management to the AC and that the AC has effectively and efficiently contributed to the Board and to the Group. In addition, two (2) of the members of the AC have relevant accounting and related financial management expertise, experience and knowledge and the Chairman of the AC is a Chartered Accountant and non-practising member of the Institute of Singapore Chartered Accountants.

Notes: Dr Ong and Francis Lee will not stand for re-election and will retire in the upcoming AGM. Mr Goh will be re-designated as non-independent director/ Chairman of the Board. The composition of AC will not be in compliance with provision 10.2 of CG once those retirements (Dr Ong and Mr Francis Lee) and re-designation of Mr Goh are effective, until the appointment of replacement independent directors. The Company has commenced a search to appoint replacement independent directors, and will make the appropriate announcements/ reconstitute the Board Committees within two months, but in any case not later than three months after such retirements (Dr Ong and Mr Francis Lee) and redesignation (Mr Goh) become effective. In order to comply with the Code of Corporate Governance guidance, upon the identification and appointment of the new independent directors, the Company will revisit the composition of the Board and its Board Committees with the aim of appointing a new independent director as Chairman of the Board and its Board Committees.

REPORT ON CORPORATE GOVERNANCE

The AC meets at least four (4) times a year. Additional meetings are scheduled if considered necessary by the chairman of the AC. During FY2023, the AC held four (4) scheduled meetings, which were attended by all Directors and Management.

The duties and functions of the AC include the following:

– Reviewing the significant financial reporting issues and judgments with the Management and external auditor so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance before the submission of the same to the Board;

– Reviewing and reporting to the Board at least annually the effectiveness and adequacy of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems established by the Management. Such reviews may be carried out internally or with the assistance of any competent third parties;

– Reviewing the assurance from the CEO, CRO and Group Financial Controller on the financial records and financial statements;

– Nominating firms as internal and external auditors (notwithstanding anything contained in the Company's Constitution or under Section 205 of the Companies Act 1967), reviewing their appointment or re-appointment as well as matters relating to their remuneration, resignation or dismissal or terms of engagement;

– Reviewing the adequacy, effectiveness, independence, scope and results of the Group's external and internal audit;

– Reviewing and discussing with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, and the Management's response;

– Meeting with external and internal auditors, in each case without the presence of the Management, at least annually and reviewing the co-operation given by the Management to external and internal auditors;

– Reviewing and approving interested person transactions and reviewing procedures thereof;

– Reviewing potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests; and

– Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Company has a whistle-blowing policy whereby staff of the Group and relevant external parties may, in confidence, raise concerns about possible irregularities in matters of financial reporting or other matters. The policy defines the processes clearly to ensure independent investigation of such matters and permits whistle-blowers to report directly either to their supervisor or the chairman of the AC in writing or telephone or meet in confidence at a location to be determined together. The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility. In the policy, it also has designated to ensure that the identity of the whistleblower is kept confidential and the Company is committed to ensure protection of the whistleblower against reprisal. No whistle-blowing reports were received in FY2023.

REPORT ON **CORPORATE GOVERNANCE**

The AC has explicit authority to investigate any matter within its Charter. Throughout the financial year, it has full access to the Management and full discretion to invite any Director or KMP to attend its meetings, and to be provided with reasonable resources to enable it to discharge its functions properly. The Management were present at the AC meetings to report and brief the AC members on the financial and operating performance of the Group and to answer any queries from the AC members on any aspect of the operations of the Group.

The AC has direct access to the external auditors and has met up with the external auditors during FY2023 without the presence of the Management to discuss any matters arising from the financial reporting process and systems of internal controls. One of the directors (Dr Ong, Executive director) recused himself during the meetings given his familial relationship with the Management. The external auditors were also invited to be present at all AC meetings held during the year to, *inter alia*, answer or clarify any matter on accounting and auditing or internal controls.

The financial statements of the Company and its subsidiaries are audited by Foo Kon Tan LLP ("**FKT**") and its member firm. The AC and the Board are of the view that the audit firms are adequately resourced, and of appropriate standing with international affiliation. They have reviewed and are satisfied that the appointment of FKT as the Company's external auditor would not compromise the standard and effectiveness of the audit of the Group and that the Company has complied with Rule 712 and Rule 715 of the Catalist Rules.

During FY2023, the AC reviewed the planned audit procedures and the potential key audit areas as presented by FKT. These material issues which FKT assessed to be most significant in its audit are namely, assets and liability of disposal group and discontinued operation, impairment of investments in subsidiaries and amounts due from subsidiaries, recoverable amount of property, plant and equipment and going concern assumption.

Following the review and discussions, the AC was satisfied with the approach and appropriateness of methodologies used by the Management, as adopted and disclosed in the financial statements, and recommendation was made by the AC to the Board to approve the financial statements.

During the course of review of the financial statements for FY2023, the AC discussed with the Management and FKT on the significant issues that were brought to the AC's attention. The AC reviewed the work performed by the Management and made enquiries relevant to the key audit focus areas. In addition, the AC also reviewed and discussed the findings presented and related work performed by FKT.

The AC was satisfied that significant matters highlighted have been properly addressed and appropriately adopted and disclosed in the financial statements. The AC recommends to the Board to approve the financial statements. The Board then reviews and approves the financial statements.

For FY2023, FKT confirmed that the firm and audit team members have complied with the independence requirements in the Code of Professional Conduct and Ethics of the Singapore Accountants (Public Accountants) Rules. There were no non-audit services provided by FKT in FY2023. A breakdown of fees paid to FKT and its member firms for audit and non-audit services provided to the Group during FY2023 is as follows:

(S$'000)	**FKT entities in Singapore**	**Overseas HLB auditor**(1)
Audit fees	90	17
Total	90	17

Note:
(1) Refers to members firms within the HLB international network.

REPORT ON CORPORATE GOVERNANCE

None of the AC members was a former partner of the Company's existing external auditor, FKT, within the previous two years or has any financial interest in the firm.

The AC also has considered the adequacy of the resources, experience and competence of FKT, and has taken into account the Audit Quality Indicators relating to FKT at the firm level and on the audit engagement level. Consideration is also given to the experience of the engagement partner and key team members in handling the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

On the basis above, the AC is of the opinion that FKT is independent for the purpose of the Group's statutory audit and satisfied with the standard and quality of work performed by FKT. The AC has recommended to the Board the nomination of FKT for re-appointment as the Company's external auditor at the forthcoming AGM.

Historically, the Group outsourced its internal audit function. In FY2023, Mianzhu Norwest did not carry out any production. The Company is aware that it is currently not in compliance with the requirements under Rule 1204(10C) and Rule 719(3) of Catalist Rules and Provisions 10.4 and 10.5 of the Code. Due to the Group's substantially reduced scale of operations since FY2018, the AC and the Board did not deem it efficient and effective to engage the outsourced IA to carry out onsite fieldwork for FY2023. Also, the Group had sold its entire inventory of phosphate rocks and P4 in the second half of FY2018. The Company shall engage an outsourced internal audit in compliance with the requirements under Rule 1204(10C) and Rule 719(3) of Catalist Rules and Provisions 10.4 and 10.5 of the Code and the timing of such engagement will be determined by the AC taking into account factors such as, *inter alia*, business volume and operating activities of the Group. Going forward, it is anticipated that IA will perform a review in FY2024.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT
(E) MANAGING STAKEHOLDER RELATIONSHIPS

Principle 11: Shareholder rights and conduct of general meetings
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: Engagement with shareholders
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company. (For further details on how the group identifies and engages with material stakeholder groups, please refer to the group's Sustainability Report, which is published on SGXNET separate from the Annual Report),

Principle 13: Engagement with stakeholders
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price sensitive public information and reports to regulators (if required).

The Company strives to disclose information on a timely basis to shareholders and other stakeholders and ensures any disclosure of price-sensitive information is not made to a selective group. Price-sensitive information will be publicly released before the Company meets with any group of shareholders, investors or research analysts.

REPORT ON CORPORATE GOVERNANCE

Financial results, annual reports and sustainability reports are announced and issued within the statutory prescribed periods. All announcements, annual reports and sustainability report, press releases on major developments in the business of the Group are released on SGX-ST's website.

The Company, from time to time, participates in investors' seminars and briefings organised by external organisations. The Company publishes such presentation slides used during the seminars and briefings on SGX-ST's website. Shareholders, analysts and the press can contact the Company directly via office telephone number. Enquiries received are handled by designated members of senior Management in lieu of a dedicated investor relations team.

The shareholders are informed of general meetings through notices enclosed together with the annual reports or circulars sent to all shareholders. Notices of general meetings to shareholders are issued at least 14 days (or as required) before the scheduled date of such meetings. These notices are also posted on SGX-ST's website.

Directors, including the chairmen of the Board and Board Committees, and senior Management are present at the general meetings to answer shareholders' questions. The external auditor will also be present, if necessary, to assist the Directors in addressing any relevant queries by shareholders.

At each general meeting, shareholders are communicated with relevant rules and procedures governing such meetings. They will be given the opportunity to air their views and to ask the Directors and the Management questions regarding the Group and its business. The Directors and the Management also take the opportunity to interact with shareholders before and after the meeting. The external auditor will also be present to assist the Directors in addressing any relevant queries from the shareholders.

The Company Secretary prepares the minutes of each general meetings which would include substantial or relevant comments from shareholders and responses of the Board and the Management. Provision 11.5 of the Code provides that a company should publish minutes of general meetings of shareholders its corporate website as soon as practicable after such meetings. Although the Company does not have a practice of publishing the minutes of its general meetings (which, by their nature, are essentially closed-door proceedings attended by shareholders or their duly appointed proxies) on SGX-ST's website, the Company is of the view that shareholders generally would have the opportunity to understand about the Group's strategy and portfolio of key assets and investments, the Group's performance, position and prospects, from other readily accessible content available on SGX-ST's website. In any event, accordance with statutory requirements, the Company makes minutes of its general meetings available to shareholders upon request and upon authentication of the shareholder's identity. The minutes of the Company's general meeting will be published on SGX-ST's website within one (1) month from the date of such general meeting.

Pursuant to Rule 730A(2) of the Catalist Rules, all resolutions will be put to vote by way of a poll and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced on SGT-ST's website after the conclusion of the general meeting. The voting procedures are also explained to all the shareholders during the general meetings. All resolutions are separate unless they are interdependent and linked, in which case, the reasons and material implications are explained. Under the Constitution of the Company, absentia voting at general meetings of shareholders is allowed. However, as authentication of shareholder identity information and other related security issues remains a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax.

Shareholders can vote in person or appoint not more than two proxies to attend, speak and vote on their behalf at general meetings, with the exception that shareholders such as nominee companies, which provide custodial services for securities, are able to appoint more than two (2) proxies to attend, speak and vote at general meetings notwithstanding the Company's Constitution which does not differentiate between the number of proxies which may be appointed by shareholders and by nominee companies.

REPORT ON CORPORATE GOVERNANCE

On 15 December 2022, the Ministry of Law announced that the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 will cease with effect from 1 July 2023 as Singapore has progressively transitioned towards living with Covid-19 and meetings can take place physically.

Separately, pursuant to legislative amendments (with effect from 1 July 2023) to the Companies Act 1967, as read with Listing Rule 730A and practice guidance issued by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, listed companies are required to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology. Listed companies are guided by the SGX-ST to have regard to the size and needs of their shareholder base and to facilitate shareholder engagement. In this regard, the Company's forthcoming AGM will be in a wholly physical format at a place in Singapore.

Apart from creating long-term value for its shareholders, and upholding high standards of governance, the Group also recognises the importance of environmental sustainability and social responsibilities to other stakeholders. The Company will publish its standalone sustainability report for FY2023 within the prescribed timeline on SGX-ST's website.

The Company does not have a fixed dividend policy at present. The declaration and payment of dividends by the Group is subject to many factors, including but not limited to, the Group's results of operations, cash flows and financial position, the Group's expansion and working capital requirements and the Group's future growth and prospects. There was no dividend recommended in respect of FY2023 as the Group continues to work on strengthening its balance sheet and working capital positions.

(F) DEALINGS IN SECURITIES

The Group has adopted an internal code on dealings in securities, which is in compliance with Rule 1204(19) of the Catalist Rules and has been disseminated to all employees within the Group. The Company will also send a notification via email to notify all its officers and employees a day prior to the close of window for trading of the Company's securities.

Directors and employees of the Group are reminded not to deal (whether directly or indirectly) in the Company's securities on short-term considerations and be mindful of the law on insider trading as prescribed by the Securities & Futures Act 2001.

The internal code on dealings in securities also makes clear that it is an offence to deal in the Company's securities, while in possession of unpublished price-sensitive information and prohibits trading in the following periods:

(i) The period commencing two (2) weeks before the announcement of the Company's financial statements for the first, second and third quarters of its financial year; and

(ii) The period commencing one (1) month before the announcement of the Company's financial statements for its full financial year.

Each of the above periods will end on the date of the announcement of the relevant results of the Company.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares. Thereafter, the Company Secretary updates the Register of Directors' Shareholdings and make the necessary announcements on SGX-ST's website.

REPORT ON CORPORATE GOVERNANCE

(G) INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons ("**IPTs**") within the meaning of the Catalist Rules are reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Group and its minority shareholders.

On 21 June 2013, Dr. Ong, Mr Ong Kwee Eng (an associate of Dr. Ong), and two of our KMP, namely Mr Wang Xuebo and Mr Chia Chin Hau (collectively, the "**Indemnitors**") signed a deed of indemnity, under which they have jointly and severally undertaken, *inter alia*, to indemnify and hold harmless the Group against losses in connection with certain land use rights and certain licences, permits and approvals for the Group's PRC operations (the "**Indemnity**"). No fees were paid or benefits given to the above-mentioned individuals in connection with the deed of indemnity. Please refer to the Company's offer document dated 25 September 2013 ("**Offer Document**") under the section "Interested Person Transactions – Present and Ongoing Interested Period Transactions" (Page 191) for further details. On 20 February 2017, the Company and the Indemnitors entered into a supplemental deed, pursuant to which it was agreed that the Indemnity shall terminate upon the occurrence of (i) any transaction or series of transaction resulting the Indemnitors and their associates (as defined in the Catalist Rules) collectively holding less than 51.0% of the total issued and paid-up share capital of the Company; and (ii) Dr. Ong, Mr Simon Ong, Mr Raymond Ong and Ms Ong Bee Pheng, and any relative (including by marriage) of Dr. Ong from time to time, no longer collectively constituting a majority representation on the Board.

As at 31 December 2023, the net loans from Dr. Ong amounted to $1,420,000. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

As at 31 December 2023, the loans from Astute Ventures amounted to $1,027,870. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

As at 31 December 2023, the accrued accumulated interests on these loans due to Dr. Ong and Astute Ventures amounted to $292,000 and $93,000 respectively.

The interests for FY2023 were accrued following the Singapore Exchange Trading Securities Limited ("**SGX-ST**") approval on the use of the Company's market capitalization as at the end of the preceding financial year for the purpose of computing the IPT transactions thresholds under the Catalist Rules 905 and 906. The Company can continue to adopt the market capitalisation method as long as its net tangible assets ("**NTA**") remains negative (as of the latest set of audited consolidated financial statements).

Based on the loans extended as at 31 December 2023, the total interest in FY2023 as a percentage of the Company's market capitalisation as at 31 December 2023 and 31 December 2022 is 2.6% and 1.2% respectively. Please refer to the announcement on 27 October 2023 for details of the SGX-ST approval.

The Audit Committee has discussed the terms of the loans and is of the view that the loans were i) for the benefit of the Group; ii) on normal commercial terms; and iii) not prejudicial to the interests of the issuer and its minority shareholders.

Other than the above, there were no other IPTs in FY2023.

The Company did not obtain any general mandate from shareholders for IPTs for FY2023.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $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)
Dr Ong Hian Eng	Director	$141,000(1)	Not applicable
Astute Ventures Pte Ltd	Controlling shareholder	$70,000(2)	Not applicable

Notes:

(1) As explained in the previous paragraphs, Dr. Ong has extended several loans to the Company during August 2019 to December 2023. The interest accrued from January to December 2023 amounted to $141,000.

(2) As explained in the previous paragraphs, Astute Ventures has extended several loans to the Company during April 2021 to December 2023. The interest accrued from January to December 2023 amounted to $70,000.

The loans are unsecured, repayable on demand and will bear interest at 11% per annum (as disclosed above).

(H) MATERIAL CONTRACTS

As at 31 December 2023, the net loans from Dr. Ong amounted to $1,420,000. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

As at 31 December 2023, the loans from Astute Ventures amounted to $1,027,870. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

As at 31 December 2023, the accrued accumulated interests on these loans due to Dr. Ong and Astute Ventures amounted to $292,000 and $93,000 respectively.

The interests for FY2023 were accrued following the Singapore Exchange Trading Securities Limited ("**SGX-ST**") approval on the use of the Company's market capitalization as at the end of the preceding financial year for the purpose of computing the IPT transactions thresholds under the Catalist Rules 905 and 906. The Company can continue to adopt the market capitalisation method as long as its net tangible assets ("**NTA**") remains negative (as of the latest set of audited consolidated financial statements).

Based on the loans extended as at 31 December 2023, the total interest in FY2023 as a percentage of the Company's market capitalisation as at 31 December 2023 and 31 December 2022 is 2.6% and 1.2% respectively. Please refer to the announcement on 27 October 2023 for details of the SGX-ST approval.

REPORT ON CORPORATE GOVERNANCE

The Audit Committee has discussed the terms of the loans and is of the view that the loans were i) for the benefit of the Group; ii) on normal commercial terms; and iii) not prejudicial to the interests of the issuer and its minority shareholders.

Save for the service agreement and loan agreement between the Executive Director who is also a controlling shareholder, as set out in this report, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director or controlling shareholder of the Company either still subsisting as at the end of FY2023 or if not subsisting, was entered into since the end of the previous financial year.

(I) NON-SPONSOR FEES

No fees relating to non-sponsorship activities or services were paid to the Company's sponsor, Asian Corporate Advisors Pte. Ltd. during FY2023.

(J) SUSTAINABILITY REPORT

The Company will be publishing its Sustainability Report based on the Global Reporting Initiative Standards. The report will be available on the SGX-ST's website on or before 30 April 2024.

RISK STATEMENT

The Group recognises that risk is inherent in a business and its operations, and that commercial risks are taken in the course of generating a return on business activities. The Group's policy is that risks should be managed within the Group's overall risk tolerance.

The Management regularly reviews the Group's business and operational activities to identify areas of significant business and process risks, as well as appropriate measures through which to control and mitigate these risks. On an on-going basis, the Management reviews all significant business processes and control policies and procedures, and highlights all significant matters to the Board and AC.

The main objective of risk management policies of the Group is to protect the Group against material losses that may result from taking on risks for which it may not be adequately compensated. The Board's philosophy on risk management is that all risks must be identified, understood, monitored and managed. Furthermore, risk management processes must be closely aligned to the Group's vision and strategy.

The Group believes that effective risk management is the responsibility of all directors and managers and that the Board is ultimately responsible for the oversight of the Group's overall risk management systems and policies. The AC assists the Board on the oversight of financial reporting risks, adequacy and effectiveness of the Group's internal controls and risk management system, information technology controls and other operational risks. A sound system of internal control is essential and, in this regard, the responsibilities of process managers are designed such that there is adequate segregation of duties so that there is a system of checks and balances in the key areas of operations.

Historically, the Group has outsourced its internal audit function to a big 4 accounting firm (the "IA"). The work undertaken by the IA is carried out in accordance with internationally recognised professional bodies including Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The work undertaken by the IA includes auditing of the Group's system of internal financial, operational and compliance controls over its key operations. The IA will report their audit findings and recommendations directly to the AC. Due to the Group's substantially reduced scale of operations in FY2023, the AC and the Board did not deem it efficient and effective for the IA to carry out onsite fieldwork in FY2023. Going forward, it is anticipated that IA will perform a review in 2024.

In performing their audit of the financial statements, the external auditors perform tests over operating effectiveness of certain controls that the auditors intend to rely on that are relevant to the Group's preparation of financial statements. The external auditors also report any significant deficiencies, if any, in such internal controls to the AC.

The AC reviews the effectiveness of the actions taken by the Management on the recommendations made by the external auditors and IA.

Although the Group currently does not have a formal risk management committee, the Management regularly reviews the Group's business and operations to identify areas of significant business risks and controls to mitigate the risks. The Management will highlight all significant matters to the Board and AC. For more detailed discussion on the Group's financial risk management objectives and policies, they can be found in note 36 to the financial statements.

Following the cessation of mining in 2017 and production of P4 in 2018, the Group is focused primarily on trading of chemicals and commodity products. The business is structured to be relatively lower- risk, and counterparty risk (a key risk identified) is managed via strict management of credit terms and relationship management with reliable suppliers. The Board and management will continue to monitor its key and emerging risks via periodic industry updates and internal/external discussions.

Based on the internal controls established and maintained by the Group, the statutory audit conducted by the external auditors, and reviews performed by the Management and various Committees, including the AC, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls addressing financial, operational, compliance, information technology controls, risk management systems or significant business risks are adequate and effective to meet the needs of the Group in its current business environment as at 31 December 2023.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors submit this annual report to the members of AsiaPhos Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In our opinion,

(a) having regard to the matters disclosed in the notes to the financial statements, in particular Notes 2(a), 2(d), 4, 5, 7 and 13, the accompanying financial statements of the Group and statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to the information as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this report are:

Goh Yeow Tin (Chairman)
Dr. Ong Hian Eng
Francis Lee Fook Wah
Ong Eng Hock Simon
Ong Eng Keong (Wang Rongkang) (appointed on 22 March 2024)

Arrangements to acquire shares, debentures, warrants or options

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or any other corporate body, other than as disclosed in this report.

Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the following directors, who held office at the end of the financial year, had an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
	As at 1.1.2023	**As at 31.12.2023**	As at 1.1.2023	**As at 31.12.2023**
The Company		Number of ordinary shares		
Ong Hian Eng (Note A)	9,024,394	**9,024,394**	230,653,636	**230,653,636**
Ong Eng Hock Simon	2,919,306	**2,919,306**	-	**-**
Francis Lee Fook Wah	200,000	**200,000**	-	**-**

Directors' interest in shares, debentures, warrants or options (Cont'd)
Note A:
FICA (Pte.) Ltd. is controlled by Dr. Ong Hian Eng and he is therefore deemed to have an interest in the 230,653,636 Shares held by FICA (Pte.) Ltd.

There is no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

Dr. Ong Hian Eng who by virtue of his interest in not less than 20% of the issued share capital of the Company, is deemed to have an interest in the shares of the wholly-owned subsidiaries held by the Company and in the following subsidiaries that are not wholly-owned by the Group.

	As at 1.1.2023	**As at 31.12.2023**
	No. of shares	**No. of shares**
Deyang Fengtai Mining Co., Ltd.	1,000,000	**1,000,000**

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

AsiaPhos Performance Share Plan (the "Share Plan")
The Share Plan of the Company was approved at an Extraordinary General Meeting held on 22 August 2013. The Share Plan fosters a framework of ownership within our Group which aligns the interests of our Group Executives (including Directors of the Company) with interests of shareholders.

Unless otherwise defined, all defined terms shall have the same meanings as set forth in the Offer Document of the Company dated 25 September 2013.

The Share Plan is administered by the Remuneration Committee (the "RC") comprising:

- Goh Yeow Tin (Chairman)
- Francis Lee Fook Wah
- Ong Eng Hock Simon

The following persons are eligible to participate in the Share Plan:

(a) Group Executives who have attained the age of 21 years as of the award date;

(b) Group Executive Directors and Group Non-Executive Directors (including Independent Directors); and

(c) Persons who meet the criteria of (a) and (b) above and who are Controlling Shareholders or Associates of a Controlling Shareholder, provided that the participation of and the terms of each grant and the actual number of Awards granted under the Share Plan to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by independent shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation; and (ii) the terms of each grant and the actual number of Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of independent shareholders for the participation in the Share Plan of a Controlling Shareholder or an Associate of a Controlling Shareholder who is, at the relevant time already a Participant.

AsiaPhos Performance Share Plan (the "Share Plan") (Cont'd)

Participants must not be an undischarged bankrupt and must not have entered into a composition with his creditors.

The RC shall decide, in relation to an Award:
(a) the Participant;
(b) the Award Date;
(c) the Performance Period;
(d) the number of Shares which are the subject of an Award;
(e) the Performance Conditions;
(f) the Release Schedule; and
(g) any other conditions which the Committee may determine in relation to that Award.

A member of the RC who is also a Participant shall not be involved in the RC's deliberation in respect of Awards granted or which will be granted to him.

The aggregate number of shares which may be issued or transferred pursuant to Awards granted under the Share Plan, when added to (i) the number of shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed fifteen per cent (15%) of the entire issued and paid-up share capital (excluding treasury shares) of the Company on the day preceding the relevant date of the Award.

In addition, the number of shares available to Controlling Shareholders or Associates of a Controlling Shareholder is subject to the following:
(a) the aggregate number of Shares comprised in Awards granted to Controlling Shareholders or Associates of Controlling Shareholders under the Share Plan shall not exceed twenty-five per cent (25%) of the aggregate number of Shares (comprised in Awards) which may be granted under the Share Plan; and
(b) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed ten per cent (10%) of the Shares available under the Share Plan.

The Share Plan shall continue in force at the discretion of the RC, subject to a maximum period of ten (10) years commencing on the date on which the Share Plan is adopted by our Company in general meeting, provided always that the Share Plan may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

Since the adoption of the Share Plan, no share has been awarded to any participant under the Share Plan. The Share Plan expired on 22 August 2023. The Board and the Remuneration Committee has no plan to continue the Share Plan beyond the above stipulated period. The Board will seek the approval of members in general meeting and of any relevant authorities which may then be required in case of adopting a new performance share plan.

Audit Committee

The audit committee (the "AC") has carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, the Catalist Rules of the Listing Manual of the SGX-ST and the Code of Corporate Governance. The functions performed are detailed in the Report on Corporate Governance set out in the Annual Report of the Company for the financial year ended 31 December 2023.

There were no non-audit services provided by the external auditor nor its member firm to the Group. The AC has conducted a review of interested person transactions.

Audit Committee (Cont'd)

The AC convened four meetings during the year with full attendance from all members. The AC has also met with the external auditor, without the presence of the Company's management, at least once a year. Two of the directors recused themselves during the meetings given their familial relationship with the management.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing our auditors for the Company and its subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

....
ONG HIAN ENG
Director

....
ONG ENG HOCK SIMON
Director

Dated: 4 APRIL 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIAPHOS LIMITED

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of AsiaPhos Limited (the "Company"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) Going concern

The Group reported a net loss after tax of $4,169,000 from continuing operations, and a net profit after tax of $6,242,000 from discontinued operations for the financial year ended 31 December 2023. Excluding reversal of impairment loss of property, plant and equipment of $4,092,000 (Note 4, Note 30.2), reversal of deferred tax liabilities of $1,292,000 (Note 20, Note 31) related to the Elemental phosphorus ("P4") plant, and rental income of $1,063,000 (Note 15, Note 30.2) from a 1-year lease term from March 2023 as part of the arrangement related to the disposal of the P4 Plant Assets (Note 15), the Group would have reported a net loss after tax from discontinued operations of $205,000 for the financial year ended 31 December 2023.

The directors have prepared the financial statements on a going concern basis based on the assumptions as disclosed in Note 2(a) Going concern to the financial statements. The assumptions are premised on future events the outcomes of which are inherently uncertain. Based on the information available to us, we have not been able to obtain sufficient audit evidence to satisfy ourselves as to the appropriateness of the use of the going concern assumption in the preparation of the financial statements.

If the Group and the Company are unable to continue as a going concern, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and may need to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to the financial statements.

Basis for Disclaimer of Opinion (Cont'd)

(2) Assets and liabilities of disposal group (Note 15)

In 2018, Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd ("Sichuan Mianzhu") ceased production at the P4 Plant as a result of the Chinese government's actions.

Pursuant to a Cooperation Agreement dated 20 March 2023, and subsequent supplemental agreements (collectively hereinafter referred to as the "Cooperation Agreement") entered into with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda"), Sichuan Mianzhu shall transfer to Rongda property, plant and equipment and land use rights (the "P4 Plant Assets"), via a newly set-up subsidiary of the Group, Sichuan Rongdafeng Chemical Co. Ltd. ("Rongdafeng"), for a cash consideration of RMB71.39 million, inclusive of RMB8 million in respect of a 12-month lease of the P4 Plant Assets to Rongda from March 2023, RMB4 million of rental deposit which is non-refundable if Sichuan Mianzhu is not in breach of the Cooperation Agreement, and RMB20 million for repayment of Sichuan Mianzhu's bank loan which is secured by the P4 Plant Assets.

Sichuan Mianzhu shall transfer the P4 Plant Assets to Rongdafeng and subsequently dispose of its entire equity interest in Rongdafeng to Rongda. As part of the arrangement, Rongdafeng, as a subsidiary of Rongda, shall assume trade and other payables of RMB14.61 million relating to the P4 Plant Assets. Accordingly, the P4 Plant Assets and P4 Plant Liabilities were reclassified to "Disposal Group" in the Group's consolidated balance sheet in March 2023.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5") non-current assets and disposal groups classified as held for disposal are measured at the lower of their carrying amount and fair value less costs of disposal.

In prior years, an impairment loss of $7,394,000 was recognised on property, plant and equipment of the P4 Plant. The Group recognised a reversal of impairment loss of $4,092,000, based on the adjusted proceeds from the proposed P4 Plant disposal, prior to reclassification of the property, plant and equipment to Disposal Group during the current financial year ended 31 December 2023.

The Group did not assess fair value less costs of disposal of property, plant and equipment, and land use rights of the P4 Plant Assets at the point of reclassification of these assets to Disposal Group. This is not in compliance with SFRS(I) 5.

Based on the information available to us, we were unable to obtain sufficient appropriate audit evidence to determine the carrying values of the property, plant and equipment, and land use rights of the P4 Plant Assets included in "Assets of disposal group" in the Group's consolidated balance sheet as at 31 December 2023. We were also unable to obtain sufficient appropriate audit evidence on whether the reversal of impairment loss of $4,092,000 for the year ended 31 December 2023 was appropriately stated.

In prior years, the Group recorded a deferred tax liability in respect of the differences between accounting depreciation and tax depreciation related to the P4 Plant Assets. Depreciation of the P4 Plant Assets and recognition of the effect of deferred tax thereon ceased following the Group's suspension of the use of the P4 Plant in 2018.

During the current financial year ended 31 December 2023, the Group reversed deferred tax liabilities of $1,292,000 related to the P4 Plant Assets to profit or loss following reclassification of the P4 Plant Assets to "Disposal Group" (Note 15). Accordingly, net profit after tax from discontinued operations was overstated by $1,292,000 and net profit after tax for the year was overstated by $1,292,000 for the year ended 31 December 2023, accumulated losses as at 31 December 2023 was understated by $1,292,000, and deficit in shareholder's funds as at 31 December 2023 was understated by $1,292,000.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIAPHOS LIMITED

Basis for Disclaimer of Opinion (Cont'd)

(3) Recoverable amount of property, plant and equipment (Note 4), right-of-use assets (Note 5), and investment in subsidiaries (Note 9)

(3.1) Mining Assets Group

In November 2017, the assets (the "Mining related Assets") and directly associated liabilities (the "Mining related Liabilities") of Mine 1 and Mine 2 ("Mine 1" and "Mine 2") of Sichuan Mianzhu and the mine of Deyang Fengtai Mining Co., Ltd. ("Fengtai Mine") (collectively, the "Mining Assets Group") were reclassified as assets and liabilities of disposal group in the Group's consolidated balance sheet as a result of the Chinese Government's request for the Group's evacuation and rehabilitation of its mining site in respect of Mine 2 and the Fengtai mine, and the non-renewal of the Mine 1 mining license.

In 2020, the Group commenced arbitration at the International Arbitration Tribunal (the "Tribunal") seeking compensation from the Chinese Government.

In 2021, the directors were of the view that an amicable settlement with the Chinese Government was unlikely. Consequently, the Group recognised an impairment loss on the entire carrying value of the Mining related Assets of $90,066,000 (Note 15) and reversed the associated deferred tax liabilities of $16,383,000 during the year ended 31 December 2021.

As at 31 December 2022, the disposal of the Mining Assets Group had not been completed. Accordingly, the directors were of the view that it was appropriate for the Group to continue to present all Mining related Assets and Mining related Liabilities as "assets of disposal group" and "liabilities of disposal group", respectively, on the Group's consolidated balance sheet as at 31 December 2022.

As at 31 December 2022, the Mining related Assets comprised mine properties, mining related property, plant and equipment, goodwill and deposits for rehabilitation and mining levy with an aggregate carrying value of $nil (Note 15); and Mining related Liabilities related to provision for rehabilitation of mines of $764,000 (Note 15).

Our opinion on the financial statements for the prior financial year ended 31 December 2022 was modified in respect of the inappropriateness of the classification of the Mining related Assets and Mining related Liabilities as assets and liabilities of disposal group, and the carrying values of the Mining related Assets and Mining related Liabilities as presented in assets and liabilities of disposal group as at 31 December 2022.

In February 2023, the Tribunal issued a ruling in favour of the Chinese Government ordering the Group to reimburse the latter the sums of USD280,000 (jurisdictional award) and RMB6,350,000 in legal costs related to the arbitration. Consequently, the Group reclassified the Mining related Assets and Mining related Liabilities from "Assets of disposal group" and "Liabilities of disposal group" to the respective captions in the Group's consolidated balance sheet.

Basis for Disclaimer of Opinion (Cont'd)

(3) Recoverable amount of property, plant and equipment (Note 4), right-of-use assets (Note 5), and investment in subsidiaries (Note 9) (Cont'd)

(3.1) Mining Assets Group (Cont'd)

Non-financial assets reclassified from "Assets of disposal group" to "Property, plant and equipment" comprised mine properties, and mining related property, plant and equipment (the "Property, plant and equipment – Mining Assets") (Note 15) which had carrying value of $nil individually.

The Group did not assess the recoverable amount of "Property, plant and equipment – Mining Assets" as at 31 December 2023 in accordance with SFRS(I) 1-36 *Impairment of Assets*.

We were unable to determine whether any adjustment to the carrying value of "Property, plant and equipment – Mining Assets" as at 31 December 2023 was necessary. We were also unable to obtain sufficient appropriate evidence on whether the associated deferred tax liabilities of "Property, plant and equipment – Mining Assets" was appropriately stated. Any adjustment necessary to the carrying values of "Property, plant and equipment – Mining Assets" and deferred tax liabilities as at 31 December 2023 would have a consequential effect on profit or loss for the year ended 31 December 2023, and accumulated losses and total equity as at 31 December 2023.

(3.2) Right-of-use assets

The Group did not assess the recoverable amount of right-of-use assets as at 31 December 2023 in accordance with SFRS(I) *1-36 Impairment of Assets*.

We were unable to determine whether any adjustment to the carrying value of right-of-use assets as at 31 December 2023 was necessary. Any adjustment necessary to the carrying value of right-of-use assets as at 31 December 2023 would have a consequential effect on profit or loss for the year ended 31 December 2023, and accumulated losses and total equity as at 31 December 2023.

(3.3) P4 Plant Assets

As at 31 December 2022, the directors were of the view that the carrying values of property, plant and equipment of $8.950 million (Note 4) and right-of-use assets of $1.295 million (Note 5) related to the P4 Plant Assets were sufficiently supported by proceeds from the proposed disposal of the P4 Plant Assets (Note 15) based on an agreement dated 20 March 2023 and supplemental agreement dated 22 March 2023 entered into with Rongda. This is not in compliance with SFRS(I) *1-36 Impairment of Assets*.

In the absence of a management's assessment of the recoverable amount at the reporting date, we were unable to determine whether any adjustment to the carrying amount of the P4 Plant Assets as at 31 December 2022 was necessary. Consequently, our opinion on the financial statements for the prior financial year ended 31 December 2022 was modified accordingly.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIAPHOS LIMITED

Basis for Disclaimer of Opinion (Cont'd)

(3) Recoverable amount of property, plant and equipment (Note 4), right-of-use assets (Note 5), and investment in subsidiaries (Note 9) (Cont'd)

(3.4) Investment in subsidiaries

During the current financial year ended 31 December 2023, the Company recognised an impairment loss of $9,400,000 on investment in subsidiaries based on adjusted net assets of the subsidiaries. Management did not determine the recoverable amount of investment in subsidiaries, which is the higher of value-in-use and fair value less costs of disposal as at 31 December 2023 and 2022.

In the absence of a management's assessment of the recoverable amount at the reporting date, we were unable to determine whether any adjustment to the carrying amount of investment in subsidiaries as at 31 December 2023 and 2022 was necessary. Any adjustment necessary to the carrying amount of investment in subsidiaries as at 31 December 2023 and 2022 would have a consequential effect on accumulated losses and total equity as at 31 December 2023 and 2022.

(4) Trade and other payables (Note 23)

As at 31 December 2022, "Accrued liabilities" presented within "Trade and other payables" included an amount of $156,000 which was not supported by evidence that underlying services had been received by the Group. As we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the existence, completeness, accuracy, rights and obligations in respect of the liabilities as at 31 December 2022 and the profit or loss for the year ended 31 December 2022, our opinion on the financial statements for the prior financial year ended 31 December 2022 was modified accordingly.

During the financial year ended 31 December 2023, management was of the view that the accrual amount was not required and reversed the $156,000 to profit or loss. Accordingly, net loss after tax from continuing operations was understated by $156,000 and net profit after tax was overstated by $156,000 for the year ended 31 December 2023, accumulated losses as at 31 December 2023 was understated by $156,000, and deficit in shareholder's funds as at 31 December 2023 was understated by $156,000.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIAPHOS LIMITED

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Toh Kim Teck.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,

4 APRIL 2024

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		The Group			The Company	
	Note	**31 December 2023 $'000**	31 December 2022 $'000 (Restated)	1 January 2022 $'000 (Restated)	**31 December 2023 $'000**	31 December 2022 $'000
ASSETS						
Non-Current						
Property, plant and equipment	4	**27**	8,983	10,353	**-**	-
Right-of-use assets	5	**186**	1,295	1,481	**-**	-
Goodwill	6	**-**	-	-	**-**	-
Intangible asset	7	**-**	-	-	**-**	-
Mining properties	8	**-**	-	-	**-**	-
Investment in subsidiaries	9	**-**	-	-	**-**	9,400
Deferred tax assets	20	**178**	-	-	**-**	-
Other receivables and prepayments	10	**10**	8	8	**-**	-
		401	10,286	11,842	**-**	9,400
Current						
Inventories	11	**52**	223	153	**-**	-
Trade receivables	12	**51**	72	61	**50**	72
Other receivables and prepayments	10	**468**	636	438	**50**	78
Amounts due from subsidiaries	13	**-**	-	-	**-**	-
Cash and bank balances	14	**865**	757	2,876	**61**	81
		1,436	1,688	3,528	**161**	231
Assets of disposal group	15	**13,665**	-	-	**-**	-
Non-current assets held for sale	16	**5,546**	5,805	6,476		
		20,647	7,493	10,004	**161**	231
Total Assets		**21,048**	17,779	21,846	**161**	9,631
EQUITY						
Capital and Reserves						
Share capital	17	**78,283**	78,283	78,283	**78,283**	78,283
Reserves	18	**(75,953)**	(77,270)	(74,796)	**(85,437)**	(74,627)
Equity attributable to owners of the Company		**2,330**	1,013	3,487	**(7,154)**	3,656
Non-controlling interests	9	**(2,533)**	(2,538)	(2,537)	**-**	-
Total Equity		**(203)**	(1,525)	950	**(7,154)**	3,656
LIABILITIES						
Non-current						
Deferred income	19	**1,812**	1,869	2,085	**-**	-
Deferred tax liabilities	20	**-**	995	1,012	**-**	-
Provision for reinstatement costs	21	**767**	27	27	**-**	-
Lease liability	22	**159**	81	108	**-**	-
		2,738	2,972	3,232	**-**	-
Current						
Trade and other payables	23	**8,999**	9,380	8,055	**1,737**	305
Contract liabilities	24	**524**	303	273	**-**	-
Interest-bearing bank loan	25	**-**	3,610	6,211	**-**	-
Amounts due to a director	26	**1,753**	1,792	1,792	**1,713**	1,751
Loan due to a controlling shareholder	27	**1,121**	456	456	**1,121**	456
Lease liability	22	**30**	27	25	**-**	-
Amounts due to subsidiaries	28	**-**	-	-	**2,744**	3,463
		12,427	15,568	16,812	**7,315**	5,975
Liabilities of disposal group	15	**6,086**	764	852	**-**	-
		18,513	16,332	17,664	**7,315**	5,975
Total Liabilities		**21,251**	19,304	20,896	**7,315**	5,975
Total Equity and Liabilities		**21,048**	17,779	21,846	**161**	9,631

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 $'000	Year ended 31 December 2022 $'000 (Restated)
Continuing operations			
Revenue	3	**1,701**	2,415
Cost of sales		**(1,373)**	(1,915)
Gross profit		**328**	500
Other income	29	**801**	3,032
Selling and distribution costs		**(126)**	(133)
General and administrative expenses		**(4,728)**	(4,448)
Finance costs		**(349)**	(408)
Other expense		**(25)**	(60)
Loss before tax from continuing operations	30	**(4,099)**	(1,517)
Income tax expense	31	**(70)**	(69)
Loss from continuing operations, net of tax	32	**(4,169)**	(1,586)
Discontinued operations			
Profit from discontinued operations, net of tax	15	**6,242**	-
Profit/(Loss) for the year		**2,073**	(1,586)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation loss on consolidation of foreign operations, at nil tax		**(751)**	(889)
Total comprehensive profit/(loss) for the year		**1,322**	(2,475)
Profit/(Loss) for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(4,168)**	(1,560)
- Profit from discontinued operations, net of tax		**6,242**	-
		2,074	(1,560)
Non-controlling interest			
- Loss from continuing operations, net of tax		**(1)**	(26)
- Profit from discontinued operations, net of tax		**-**	-
		(1)	(26)
Profit/(Loss) for the year		**2,073**	(1,586)
Total comprehensive profit/(loss) for the year attributable to:			
Owners of the Company		**1,317**	(2,474)
Non-controlling interest		**5**	(1)
Total comprehensive profit/(loss) for the year		**1,322**	(2,475)
Earnings/(Loss) per share (cents per share)			
Basic and diluted			
- Continuing and discontinued operations	32	**0.20**	(0.15)
- Continuing operations	32	**(0.40)**	(0.15)
- Discontinued operations	32	**0.60**	Nil

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Group	Share capital $'000	Merger reserve $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Safety fund surplus reserve $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2022, as reported	78,283	850	(79,099)	1,811	1,550	3,395	(2,537)	858
Prior year adjustment (Note 38)	-	-	92	-	-	92	-	92
At 1 January 2022, as restated	78,283	850	(79,007)	1,811	1,550	3,487	(2,537)	950
Loss for the year, net of tax	-	-	(1,560)	-	-	(1,560)	(26)	(1,586)
Other comprehensive income								
Foreign currency translation	-	-	-	(914)	-	(914)	25	(889)
Total comprehensive income for the year	-	-	(1,560)	(914)	-	(2,474)	(1)	(2,475)
At 31 December 2022	78,283	850	(80,567)	897	1,550	1,013	(2,538)	(1,525)
At 31 December 2022, as reported	**78,283**	**850**	**(80,689)**	**897**	**1,550**	**891**	**(2,538)**	**(1,647)**
Prior year adjustment (Note 38)	**-**	**-**	**122**	**-**	**-**	**122**	**-**	**122**
At 31 December 2022, as restated	**78,283**	**850**	**(80,567)**	**897**	**1,550**	**1,013**	**(2,538)**	**(1,525)**
Profit/(loss) for the year, net of tax	**-**	**-**	**2,074**	**-**	**-**	**2,074**	**(1)**	**2,073**
Other comprehensive income								
Foreign currency translation	**-**	**-**	**-**	**(757)**	**-**	**(757)**	**6**	**(751)**
Total comprehensive income for the year	**-**	**-**	**2,074**	**(757)**	**-**	**1,317**	**5**	**1,322**
At 31 December 2023	**78,283**	**850**	**(78,493)**	**140**	**1,550**	**2,330**	**(2,533)**	**(203)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	**Year ended 31 December 2023 $'000**	Year ended 31 December 2022 $'000 (Restated)
Cash Flows from Operating Activities			
Profit/(Loss) before tax from:			
- Continuing operations		**(4,099)**	(1,517)
- Discontinued operations	15	**4,950**	-
Profit/(Loss) before taxation		**851**	(1,517)
Adjustments for:			
Depreciation and amortisation expenses	4	**51**	251
Depreciation of right-of-use assets	5	**18**	36
Reversal of accrual of legal fees		**(156)**	-
Reversal of impairment loss on property, plant and equipment		**(4,092)**	-
Write-down in value of inventories		**10**	-
Interest expense	30	**554**	408
Impairment loss/(Reversal) on other receivables and prepayments, net	10, 30.1	**(48)**	8
Interest income	29	**(2)**	(164)
Funding for arbitration	29	**(222)**	(2,243)
Operating loss before working capital changes		**(3,036)**	(3,221)
Change in inventories		**164**	(82)
Change in trade and other receivables		**228**	40
Change in trade and other payables		**2,812**	(163)
Cash generated from/(used in) operations		**168**	(3,426)
Interest received		**2**	164
Tax paid		**-**	-
Net cash generated from/(used in) operating activities		**170**	(3,262)
Cash Flows from Investing Activities			
Advance sales consideration received from proposed disposal of Phase 2 Factory Assets		**-**	2,142
Payments for acquisition of property, plant and equipment	B	**(175)**	(32)
Tax paid on proposed disposal of Phase 2 Factory Assets	10	**-**	(272)
Net cash (used in)/generated from investing activities		**(175)**	1,838
Cash Flows from Financing Activities			
Repayment of bank loan	A	**(3,558)**	(8,165)
Proceeds from bank loan	A	**3,426**	5,883
Decrease in pledged deposits		**32**	43
Payments of principal portion of lease liability	A	**(27)**	(25)
Loan from a director		**820**	-
Repayment of loan from a director	A	**(1,000)**	-
Loan from a controlling shareholder	A	**595**	-
Interest paid		**(343)**	(408)
Funding for arbitration received		**222**	2,235
Net cash generated from/(used in) financing activities		**167**	(437)
Net increase/(decrease) in cash and cash equivalents		**162**	(1,861)
Effect of exchange rate changes on cash and cash equivalents		**(7)**	(165)
Cash and cash equivalents at beginning of the year		**271**	2,297
Cash and cash equivalents at end of the year	14	**426**	271

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note A: Reconciliation of movements of liabilities to cash flows arising from financing activities, excluding equity items

			Cash flows			Non-cash changes		
	As at 1 January 2023 $'000	Additions $'000	Proceeds received $'000	Principal repayment $'000	Interest paid $'000	Interest expense $'000	Foreign exchange movement $'000	As at 31 December 2023 $'000
Interest-bearing bank loan	3,610	-	3,426	(3,558)	(257)	257	(111)	3,367
Lease liability	108	108	-	(27)	(6)	6	-	189
Amounts due to a director	1,792	-	820	(1,000)	-	141	-	1,753
Loan due to a controlling shareholder	456	-	595	-	-	70	-	1,121
	5,966	108	4,841	(4,585)	(263)	474	(111)	6,430

			Cash flows			Non-cash changes		
	As at 1 January 2022 $'000	Additions $'000	Proceeds received $'000	Principal repayment $'000	Interest paid $'000	Interest expense $'000	Foreign exchange movement $'000	As at 31 December 2022 $'000
Interest-bearing bank loan	6,211	-	5,883	(8,165)	(402)	402	(319)	3,610
Lease liability	133	-	-	(25)	(6)	6	-	108
Amounts due to a director	1,792	-	-	-	-	-	-	1,792
Loan due to a controlling shareholder	456	-	-	-	-	-	-	456
	8,592	-	5,883	(8,190)	(408)	408	(319)	5,966

Note B

Payments for acquisition of property, plant and equipment include movements in amount due to fixed assets vendors net of foreign exchange difference.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Group and the Company for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated in the Republic of Singapore on 3 January 2012 as a private company limited by shares under the name of "AsiaPhos Private Limited". On 6 September 2013, the Company changed its name to "AsiaPhos Limited" in connection with its conversion to a public company limited by shares. The Company was listed on Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 7 October 2013.

The registered office of the Company is located at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. The principal place of business of the Company is located at 22 Kallang Avenue, #03-02 Hong Aik Industrial Building, Singapore 339413.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

AsiaPhos Limited and its subsidiaries (collectively, the "Group") operate in Singapore and the People's Republic of China ("PRC").

2(a) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as otherwise described in the notes below.

The financial statements are presented in Singapore Dollar, which is the Company's functional currency. All financial information has been presented in Singapore Dollar and rounded to the nearest thousand ($'000), unless otherwise stated.

The accounting policies used by the Group have been applied consistently to all periods presented in the financial statements.

2(a) Basis of preparation (Cont'd)

Going concern assumption

The Group reported a net loss after tax of $4,169,000 (2022 - $1,586,000) from continuing operations, and a net profit after tax of $6,242,000 (2022 - Nil) from discontinued operations during the financial year ended 31 December 2023. Excluding reversal of impairment loss of property, plant and equipment of $4,092,000 (Note 4, Note 30.1), reversal of deferred tax liabilities of $1,292,000 (Note 20, Note 31) related to the P4 plant, and rental income of $1,063,000 (Note 15, Note 30.2) from a 1-year lease term from March 2023 as part of the arrangement related to the disposal of the P4 Plant Assets (Note 15), the Group would have reported a net loss after tax from discontinued operations of $205,000 for the financial year ended 31 December 2023.

Excluding "Non-current assets held for sale" and "Assets and liabilities of the disposal group", the Group's current liabilities exceeded its current assets by $10,991,000 as of 31 December 2023 (31 December 2022 - $13,880,000).

As at 31 December 2023, the Company had net current liabilities of $7,154,000 (31 December 2022 - $5,744,000) and a deficit in equity of $7,154,000.

The above factors may indicate the existence of material uncertainty, which may cast significant doubt about the Group's and the Company's ability to continue as going concern.

In the opinion of the directors, the Group and the Company are able to continue as going concern for the following reasons:

(a) The Group generates cash flows from its trading activities comprising phosphate chemical products and commodity products.

(b) Proceeds from the proposed disposal of the P4 Plant Assets to fund its operations.

In 2023, the Group, via Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd ("Sichuan Mianzhu"), entered into a Cooperation Agreement and subsequent supplemental agreements (collectively hereinafter referred to as the "Cooperation Agreement") with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda") related to disposal of the P4 Plant Assets (Note 15) to Rongda, for a cash consideration of RMB71.39 million. The cash consideration is inclusive of RMB8 million in respect of a 12-month lease of the P4 Plant Assets to Rongda from March 2023 (the "rental"), RMB4 million of rental deposit (the "rental deposit") and RMB20 million for repayment of Sichuan Mianzhu's bank loan which is secured by the P4 Plant Assets. The rental and rental deposit are non-refundable if Sichuan Mianzhu is not in breach of the Cooperation Agreement. Sichuan Mianzhu shall transfer the P4 Plant Assets to Rongdafeng and subsequently dispose of its entire equity interest in Rongdafeng to Rongda. As part of the arrangement, Rongdafeng, as a subsidiary of Rongda, shall assume trade and other payables relating to the P4 Plant Assets of RMB14.61 million (the "RMB14.61 million Liability"). As at 31 December 2023, the Group had received RMB12 million in respect of the rental and rental deposit.

In January 2024, the Group received RMB20 million from Rongda and utilised the amount to repay the bank loan of $3,367,000 (RMB18 million) as at 31 December 2023.

In February 2024, Rongda paid the remaining balance of the proceeds of RMB39.39 million into an escrow account pursuant to a Supplementary Cooperation Agreement II dated 29 January 2024.

In March 2024, the asset transfer had been completed. The amount in the escrow account shall be released to the Group upon completion of the transfer of, inter alia, the RMB14.61 million Liability, and personnel of Sichuan Mianzhu to Rongdafeng.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(a) Basis of preparation (Cont'd)

Going concern assumption (Cont'd)

(b) Proceeds from the proposed disposal of the P4 Plant Assets to fund its operations. (Cont'd)

Completion of the proposed P4 Plant disposal is subject to, among others, Sichuan Mianzhu's transfer of the P4 Plant Assets and the RMB14.61 million Liability to Rongdafeng, Sichuan Mianzhu's transfer of its 100% equity interest in Rongdafeng to Rongda, Sichuan Mianzhu's submission of application materials for real estate transfer/registration to the real estate registration department (including transfer of certified real estate to Rongdafeng and application materials for property ownership certificates and properties without certificate), change of Rongdafeng's legal representative, general manager, directors, supervisors and senior management personnel to Rongda's designated personnel, and transfer of all Rongdafeng's seals (company stamps), business licenses, bank accounts and other information required for operations of Rongdafeng to Rongda. The Group has up to 36 months from 30 January 2024 to complete the transfer of its entire equity interest in Rongdafeng to Rongda.

(c) The Group has not in the past defaulted on any of its bank loans. Barring unforeseen circumstances, the Board expects that the Group will be able to obtain requisite financing for its operations, where necessary.

(d) The Group's controlling shareholders have provided undertakings that they will not demand repayment of the loans due from the Group and the Company and will continue to provide financial support to ensure that the Group is able to operate as a going concern for a period of at least twelve months from the date of approval of the issue of the financial statements for the year ended 31 December 2023. This is subject to the condition that the controlling shareholders'(and their respective connected parties as disclosed in the Company's announcement dated 28 March 2024) aggregate shareholding continuing to remain above 50%.

(e) On 29 November 2021, the Company's subsidiary, Sichuan Mianzhu Norwest Phosphate Co., Ltd ("Sichuan Mianzhu") entered into a sale and purchase agreement ("SPA") with Sichuan Mianzhu Huaxinfeng Food Co., Ltd (the Purchaser") relating to the proposed disposal of its Phase 2 Factory Assets and the associated land use rights for cash consideration of RMB31.5 million which was fully received in prior years.

Completion of the disposal of the Phase 2 Factory Assets is pending the transfer of the title deeds of the Phase 2 Factory Assets and the related documents to the Purchaser. As announced on 4 July 2023, further delays to the completion of the transaction are expected as the Mianzhu Land Management Bureau has requested additional information pertaining to the Phase 2 Factory Assets. Both Sichuan Mianzhu and the Purchaser are working to comply with the requirements promptly to expedite the process. The Board is not aware of any information which may suggest that the transaction will not be completed.

(f) As announced on 9 October 2023, a subsidiary of the Company, AP New Energy Pte. Ltd. ("APNE"), had entered into a term sheet in respect of the proposed acquisition of the entire issued and paid-up share capital of Global Resources SP (Taiwan) Co. Ltd. ("GRTW"). The proposed acquisition will enable the Group to diversify from its current phosphate mining and processing business and expand into the renewable energy sector. The Board is of the view that the strategic expansion is likely to bring long-term, sustainable growth to the Group, hence enhancing shareholder value. The proposed acquisition will be funded by a fundraising exercise.

(g) The Board will explore possibilities of fund raising. As announced on 28 March 2024, the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 515,762,342 new ordinary shares in the capital of the Company (the "Rights Shares"), at an issue price of S$0.0054 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (the "Shares") held by existing as at a date and time to be determined by the directors.

2(a) Basis of preparation (Cont'd)

<u>Going concern assumption (Cont'd)</u>

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2023, the Group and the Company 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 adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 17	Insurance Contracts	1 January 2023
Various	Amendments to SFRS(I) 17	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

2(c) New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has performed a preliminary assessment and the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2(d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimates are revised and in any future periods affected. The areas involving significant judgement and critical accounting estimates and assumptions used are described below.

The significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Significant judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Assets and liabilities of disposal group (Note 15)
SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* requires non-current assets to be classified as held for sale if the carrying amount will be recovered principally through a sale transaction or otherwise rather than continuing use. The carrying value of the Mining related Assets is expected to be recovered principally through compensation receivable from the Chinese Government for the expropriation of the Mining related Assets.

SFRS(I) 5 also recognises that events and circumstances may extend the period required to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude the disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the disposal group.

Mining assets
In November 2017, the assets (the "Mining related Assets") and directly associated liabilities (the "Mining related Assets") of Mine 1 and Mine 2 ("Mine 1" and "Mine 2") of Sichuan Mianzhu and the mine of Deyang Fengtai Mining Co., Ltd. ("Fengtai Mine") (collectively, the "Mining Assets Group") were reclassified as assets and liabilities of disposal group in the Group's consolidated balance sheet as a result of the Chinese Government's request for the Group's evacuation and rehabilitation of its mining site in respect of Mine 2 and the Fengtai mine, and the non-renewal of the Mine 1 mining license.

In 2020, the Group commenced arbitration at the International Arbitration Tribunal (the "Tribunal") seeking compensation from the Chinese Government.

As at 31 December 2021, the Board reassessed the Group's position in the investment dispute with the Chinese Government and determined that it was unlikely that the dispute would be settled amicably. Any compensation was subject to the outcome of the arbitration. Accordingly, the Group recognised an impairment loss on the book value of $90,066,000 on the Mining related Assets presented within "assets of disposal group", and reversed deferred tax liabilities of $16,383,000 from "liabilities of disposal group" to "Tax credit" in "Profit/(Loss) from discontinued operations, net of tax".

As at 31 December 2022, the disposal of the Mining Assets Group had not been completed. Accordingly, the directors were of the view that it was appropriate for the Group to continue to present all mining related assets, liabilities and goodwill as "assets of disposal group" and "liabilities of disposal group" respectively on the Group's consolidated balance sheet as at 31 December 2022.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant judgements in applying accounting policies (Cont'd)

Mining assets (Cont'd)
Assets and liabilities of disposal group (Note 15) (Cont'd)
In February 2023, the International Arbitration Tribunal ruled that Article 13(3) of China-Singapore Bilateral Investment Treaty (1985) did not afford jurisdiction over the Group's expropriation claims and Article 4 of the Treaty did not afford jurisdiction over the remaining claims. The Group filed a petition to the Swiss Supreme Court on 20 March 2023 seeking inter alia, to set aside the International Arbitration Tribunal jurisdictional award and the legal costs awarded to China. As announced on 25 January 2024, the Group was unsuccessful in its appeal to the Swiss Supreme Court. The Board ascertained that it was no longer appropriate to continue to classify the Mining Assets Group as a disposal group. As such, the Mining Assets Group were reclassified from "Assets of disposal group" to property, plant and equipment (Note 4), mining properties (Note 8), goodwill (Note 6) and other receivables (Note 10), and provision for rehabilitation from "Liabilities of disposal group" to provision for reinstatement cost (Note 21) during the financial year ended 31 December 2023.

P4 Plant Assets
Pursuant to a Cooperation Agreement dated 20 March 2023, and subsequent supplemental agreements (collectively hereinafter referred to as the "Cooperation Agreement") entered into with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda"), Sichuan Mianzhu, a wholly owned subsidiary, shall transfer to Rongda property, plant and equipment and land use rights (the "P4 Plant Assets"), via a newly set-up subsidiary of the Group, Sichuan Rongdafeng Chemical Co. Ltd. ("Rongdafeng"), for a cash consideration of RMB71.39 million. The cash consideration is inclusive of RMB8 million in respect of a 12-month lease of the P4 Plant Assets to Rongda from March 2023 (the "rental"), RMB4 million of rental deposit (the "rental deposit") and RMB20 million for repayment of Sichuan Mianzhu's bank loan which is secured by the P4 Plant Assets. The rental and rental deposit are non-refundable, if Sichuan Mianzhu is not in breach of the Cooperation Agreement. Sichuan Mianzhu shall transfer the P4 Plant Assets to Rongdafeng and subsequently dispose of its entire equity interest in Rongdafeng to Rongda. As part of the arrangement, Rongdafeng, as a subsidiary of Rongda, shall assume trade and other payables relating to the P4 Plant Assets of RMB14.61 million. As at 31 December 2023, the Group had received RMB12 million in respect of the rental and rental deposit.

In January 2024, the Group received RMB20 million from Rongda and utilised the amount to repay the bank loan of $3,367,000 (RMB18 million) as at 31 December 2023.

In February 2024, Rongda paid the remaining balance of the proceeds of RMB39.39 million into an escrow account pursuant to a Supplementary Cooperation Agreement II dated 29 January 2024.

In March 2024, the asset transfer had been completed. The amount in the escrow account shall be released to the Group upon completion of the transfer of, inter alia, the RMB14.61 million Liability, and personnel of Sichuan Mianzhu to Rongdafeng.

Completion of the proposed P4 Plant disposal is subject to, among others, Sichuan Mianzhu's transfer of the P4 Plant Assets and the RMB14.61 million Liability to Rongdafeng, Sichuan Mianzhu's transfer of its 100% equity interest in Rongdafeng to Rongda, Sichuan Mianzhu's submission of application materials for real estate transfer/registration to the real estate registration department (including transfer of certified real estate to Rongdafeng and application materials for property ownership certificates and properties without certificate), change of Rongdafeng's legal representative, general manager, directors, supervisors and senior management personnel to Rongda's designated personnel, and transfer of all Rongdafeng's seals (company stamps), business licenses, bank accounts and other information required for operations of Rongdafeng to Rongda. The Group has up to 36 months from 30 January 2024 to complete the transfer of its entire equity interest in Rongdafeng to Rongda.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant judgements in applying accounting policies (Cont'd)

P4 Plant Assets (Cont'd)
Accordingly, the carrying value of property, plant and equipment and the associated land use rights of the P4 plant of $12,999,000 and $1,308,000, respectively, were reclassified to "Assets of disposal group" (Note 15) in the balance sheet. As at 31 December 2023, completion of the disposal of the P4 Plant Assets was in progress.

Non-current assets held for sale (Note 16)
Accounting for non-current assets held for sale involves significant management judgement. These include, amongst others, the conditions to be met in classifying a non-current asset as held for sale, and valuation of the assets and presentation in the financial statements.

On 29 November 2021, the Company's subsidiary, Sichuan Mianzhu entered into a sale and purchase agreement ("SPA") with Sichuan Mianzhu Huaxinfeng Food Co., Ltd relating to the proposed disposal of its Sodium Tripolyphosphate plant ("STPP") (referred hereinafter as Phase 2 Factory Assets") and the associated land use rights for cash consideration of RMB31,500,000.

On 31 October 2022, Sichuan Mianzhu received the full sales consideration in advance.

Completion of the disposal of the Phase 2 Factory Assets is pending the transfer of the title deeds of the Phase 2 Factory Assets and the related documents to the Purchaser. As announced on 4 July 2023, further delays to the completion of the transaction are expected as the Mianzhu Land Management Bureau has requested additional information pertaining to the Phase 2 Factory Assets. Both Sichuan Mianzhu and the Purchaser are working to comply with the requirements promptly to expedite the process.

As at the date of this report and barring any unforeseen circumstances, the Group is not aware of any information which may cause the purchaser to withdraw from the transaction or may suggest that the transaction will not be complete during the year ending 31 December 2024.

Income tax
The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it.

The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of office premises, the Group considers factors including historical lease durations and the costs and business disruption required to replace the leased asset.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Impairment of property, plant and equipment and right-of-use assets (Notes 4 and 5)
Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its value-in-use and fair value less costs of disposal. When value-in-use calculation is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs of disposal is used, management uses the value estimated by professional valuers to determine the fair values using valuation techniques which involve the use of estimates and assumptions which are reflective of current market conditions.

The Group did not determine value-in-use or fair value less costs of disposal of the property, plant and equipment and right-of-use assets as at 31 December 2023 and 2022.

The carrying amount of the Group's property, plant and equipment and right-of-use assets are disclosed in Notes 4 and 5, respectively.

Impairment of investment in subsidiaries
Determining whether investment in subsidiaries are impaired requires an estimation of the value-in-use of the investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The Company did not estimate value-in-use or fair value less costs of disposal of investment in subsidiaries as at 31 December 2023 and 2022.

The carrying amount of the Company's cost of investment in subsidiaries is disclosed in Note 9 to the financial statements.

Allowance for expected credit losses of trade and other receivables
The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions.

Allowance for inventories
The Group estimates the write down in inventories based on the ages of the inventories, prevailing market conditions, anticipated selling prices of the inventories and historical experiences. Possible changes in these estimates could result in revisions to the valuation of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 11 to the financial statements.

2(e) Material accounting policy information

Consolidation

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and investees (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company or its subsidiary:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company or its subsidiary reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company or its subsidiary has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company or its subsidiary considers all relevant facts and circumstances in assessing whether or not the Company's or its subsidiary's voting rights in an investee are sufficient to give it power, including:
- size of the Company's or its subsidiary's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company or its subsidiary, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances which indicate that the Company or its subsidiary has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company or its subsidiary obtains control over the subsidiary or investee and ceases when the Company or its subsidiary loses control of the subsidiary or investee. Specifically, income and expenses of a subsidiary or an investee acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance when necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

2(e) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

(ii) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate.

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date on which the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2(e) Material accounting policy information (Cont'd)

Business combinations (Cont'd)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- disposal groups that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised, but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, or an associate, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the entity or the relevant cash generating unit.

2(e) Material accounting policy information (Cont'd)

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Amortisation of intangible assets is computed on a straight-line basis over the estimated useful life of 3 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Intangible asset represents the registration costs of a license to export to countries in the European Union.

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than construction-in-progress ("CIP") are measured at cost less accumulated depreciation and any accumulated impairment losses. CIP is stated at cost less any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred to bring the asset to a working condition for its intended use. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. CIP comprises the costs of materials and labour, capitalised borrowing costs and costs directly attributable to bringing the assets to a working condition for their intended use. Costs incurred in testing the assets to determine if they are functioning as intended are capitalised, after deducting any proceeds received from selling the products produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the profit or loss. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

2(e) Material accounting policy information (Cont'd)

Property, plant and equipment (Cont'd)

The depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed. Depreciation of the property, plant and equipment are as follows:

Leasehold buildings	20 years
Leasehold improvements, and motor vehicles and office equipment	3 to 10 years

Plant and machinery are depreciated using the unit-of-production ("UOP") method to depreciate the cost of the assets in proportion to the production of downstream products and extraction of the mineral resources. CIP are not depreciated as these assets are not yet available for use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Leases

<u>The Group as a lessee</u>
The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

2(e) Material accounting policy information (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

(a) Lease liability (Cont'd)

The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises those lease payments in the statement of comprehensive income in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position. The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the statement of comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

2(e) Material accounting policy information (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

(b) Right-of-use asset (Cont'd)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Land use rights:	Over the lease period
Office premises:	Over the lease period

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position. The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Rental income from subleased property is recognised within "other income" in profit or loss.

2(e) Material accounting policy information (Cont'd)

Leases (Cont'd)

The Group as a lessor (Cont'd)

Any change in the scope or the consideration for a lease that is not part of the original terms and conditions of the lease is accounted for as lease modification:

- For operating leases: The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on either straight-line basis or another systematic basis over the remaining lease term.
- For finance leases: The Group applies the derecognition requirements under SFRS(I) 9 to recognise the modification or derecognition gain or loss on the net investment in the finance lease.

Impairment of non-financial assets

The carrying amounts of the Group's and Company's non-financial assets, except inventories, subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

2(e) Material accounting policy information (Cont'd)

Impairment of non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement
Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of financial assets that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Financial assets are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the financial assets do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Initial recognition and measurement
The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at amortised cost (debt instruments)
Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding on the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost include trade and other receivables, excluding prepayments.

Financial assets at fair value through other comprehensive income (debt instruments)
Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

The Group and the Company do not hold any investments in fair value through other comprehensive income (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)
On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company do not hold any financial assets designated at fair value through OCI (equity instruments).

2(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at fair value through profit or loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group and the Company do not hold any financial assets at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses as at the reporting date, the credit risk has not increased significantly since initial recognition. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The internal credit ratings have been mapped to external credit ratings determined by credit rating agencies such as Moody's and Fitch, so as to determine the appropriate expected credit loss rates.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

<u>Credit-impaired financial assets</u>
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

<u>Write-off policy</u>
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings). Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised initially at fair value less directly attributable transaction costs. The financial liabilities comprise borrowings, lease liabilities and trade and other payables, excluding deferred income and contract liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss when changes arise.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS (I) 9 are satisfied.

The Group and the Company do not have financial liabilities at fair value through profit or loss.

Financial liabilities that are not carried at fair value through profit or loss
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2(e) Material accounting policy information (Cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets and disposal groups classified as held for disposal are measured at the lower of their carrying amount and fair value less costs of disposal. Non-current assets and disposal groups are classified as held for disposal if their carrying amounts will be recovered principally through disposal, by sale or otherwise, rather than through continuing use. Property, plant and equipment and intangible assets once classified as held for disposal are not depreciated or amortised.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

A component of the Group is classified as a "discontinued operations" when the criteria to be classified as held for disposal have been met or it has been disposed of and such component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. When an operation is classified as a discontinued operations, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

Deferred capital grants are recognised in the statement of comprehensive income over the periods necessary to match the depreciation of the assets with the related grants. On disposal of the property, plant and equipment, the balance of the related grants is recognised in the statement of comprehensive income to match the net book value of property, plant and equipment written off.

2(e) Material accounting policy information (Cont'd)

Contract liabilities

Where the amounts received or receivable from customers exceed the revenues recognised for contracts, contract liabilities are recognised in the statement of financial position. Contract liabilities are recognised as revenues when services are provided to customers.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2(e) Material accounting policy information (Cont'd)

Income taxes (Cont'd)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Employee benefits

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans
Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company. Directors and certain senior managerial personnel are considered key management personnel.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer, who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

2(e) Material accounting policy information (Cont'd)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) <u>Sale of goods</u>

Revenue is recognised when the goods are delivered to or collected by customers and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the contractual price.

(b) <u>Interest income</u>

Interest income is recognised using the effective interest method.

2(e) Material accounting policy information (Cont'd)

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore Dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Translation of Group entities' financial statements
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
- Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that foreign operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

3 Revenue

Revenue from continuing operations represents invoiced trading sales of phosphate chemical products and is shown net of taxes.

	2023		2022	
The Group	**At a point in time $'000**	**Total $'000**	At a point in time $'000	Total $'000
From continuing operations				
Sale of chemical products	**1,278**	**1,278**	1,927	1,927
Sale of commodity	**423**	**423**	488	488
	1,701	**1,701**	2,415	2,415

4 Property, plant and equipment

The Group

	Buildings $'000	Leasehold improvements $'000	Plant and machinery $'000	Motor vehicles and office equipment $'000	Mining infrastructure $'000	Construction-in-progress $'000	Total $'000
Cost							
At 1 January 2022	8,078	427	15,141	850	-	117	24,613
Currency realignment	(837)	(15)	(1,569)	(22)	-	(12)	(2,455)
At 31 December 2022	7,241	412	13,572	828	-	105	22,158
Additions	**-**	-	**-**	**2**	**-**	**-**	**2**
Reclassification from "Assets of disposal group" (Note 15) *	**1,386**	**-**	**1,908**	**117**	**14,044**	**133**	**17,588**
Reclassified to "Assets of disposal group" (Note 15) #	**(7,179)**	**(371)**	**(13,487)**	**(428)**	**627**	**(99)**	**(20,937)**
Currency realignment	**(62)**	**-**	**(85)**	**(5)**	**(627)**	**(6)**	**(785)**
At 31 December 2023	**1,386**	**41**	**1,908**	**514**	**14,044**	**133**	**18,026**
Accumulated depreciation and impairment loss							
At 1 January 2022	5,427	394	7,528	794	-	117	14,260
Depreciation for the year	220	6	20	5	-	-	251
Currency realignment	(510)	(15)	(782)	(17)	-	(12)	(1,336)
At 31 December 2022	5,137	385	6,766	782	-	105	13,175
Depreciation for the year	**37**	**6**	**4**	**4**	**-**	**-**	**51**
Reversal of impairment loss	**(1,108)**	**-**	**(2,984)**	**-**	**-**	**-**	**(4,092)**
Reclassification from "Assets of disposal group" (Note 15) *	**1,386**	**-**	**1,908**	**117**	**14,044**	**133**	**17,588**
Reclassified to "Assets of disposal group" (Note 15) #	**(4,004)**	**(371)**	**(3,701)**	**(390)**	**627**	**(99)**	**(7,938)**
Currency realignment	**(62)**	**-**	**(85)**	**(5)**	**(627)**	**(6)**	**(785)**
At 31 December 2023	**1,386**	**20**	**1,908**	**508**	**14,044**	**133**	**17,999**
Net carrying amount							
At 31 December 2023	**-**	**21**	**-**	**6**	**-**	**-**	**27**
At 31 December 2022	2,104	27	6,806	46	-	-	8,983

The Group	2023 $'000	2022 $'000
Mining assets		
Cost	**17,588**	-
Less: Accumulated depreciation and impairment loss	**(17,588)**	-
Net carrying amount (A)	**-**	-
Elemental phosphorus ("P4") plant #		
Cost	**-**	21,722
Less: Accumulated depreciation and impairment loss	**-**	(12,772)
Net carrying amount (B)	**-**	8,950
Others		
Cost	**438**	436
Less: Accumulated depreciation and impairment loss	**(411)**	(403)
Net carrying amount (C)	**27**	33
Total net carrying amount	**27**	8,983

* Mining assets

As at 31 December 2022, assets related to the Mining related Assets was presented within "Assets of disposal group" (Note 15). During the financial year ended 31 December 2023, the underlying assets and liabilities were reclassified from "Assets and liabilities of disposal group" to the respective captions in the balance sheet following the arbitral award issued by the International Arbitration Tribunal in favour of the counterparty (Note 15). Property, plant and equipment in respect of the Mining-related Assets were fully impaired in prior years.

4 Property, plant and equipment (Cont'd)

Elemental phosphorus ("P4") plant (the "P4 Plant")
Pursuant to a Cooperation Agreement dated 20 March 2023, and subsequent supplemental agreements (collectively hereinafter referred to as the "Cooperation Agreement", Sichuan Mianzhu, a wholly owned subsidiary, shall transfer to Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda") property, plant and equipment and land use rights (the "P4 Plant Assets"), via a newly set-up subsidiary of the Group, Sichuan Rongdafeng Chemical Co. Ltd. ("Rongdafeng"), for a cash consideration of RMB71.39 million. The cash consideration is inclusive of RMB8 million in respect of a 12-month lease of the P4 Plant Assets to Rongda from March 2023 (the "rental"), RMB4 million of rental deposit (the "rental deposit") and RMB20 million for repayment of Sichuan Mianzhu's bank loan which is secured by the P4 Plant Assets. The rental and rental deposit are non-refundable, if Sichuan Mianzhu is not in breach of the Cooperation Agreement. Sichuan Mianzhu shall transfer the P4 Plant Assets to Rongdafeng and subsequently dispose of its entire equity interest in Rongdafeng to Rongda. As part of the arrangement, Rongdafeng, as a subsidiary of Rongda, shall assume trade and other payables of RMB14.61 million relating to the P4 Plant Assets. Accordingly, the P4 Plant Assets and P4 Plant Liabilities were reclassified to "Disposal Group" in the Group's consolidated balance sheet in March 2023.

The proposed sale of the P4 Plant Assets was approved by the Company's shareholders during the Extraordinary General Meeting held on 29 April 2023.

As at 31 December 2023, the Group had received RMB12 million in respect of the rental and rental deposit. In January 2024, the Group received RMB20 million from Rongda and utilised the amount to repay the bank loan of $3,367,000 (RMB18 million) as at 31 December 2023.

In February 2024, Rongda paid the remaining balance of the proceeds of RMB39.39 million into an escrow account pursuant to a Supplementary Cooperation Agreement II dated 29 January 2024.

In March 2024, the P4 Plant Assets were transferred to Rongdafeng. The amount in the escrow account shall be released to the Group upon completion of the transfer of, inter alia, the RMB14.61 million Liability, and personnel of Sichuan Mianzhu to Rongdafeng.

Completion of the proposed P4 Plant disposal is subject to, among others, Sichuan Mianzhu's transfer of the P4 Plant Assets and the RMB14.61 million Liability to Rongdafeng, Sichuan Mianzhu's transfer of its 100% equity interest in Rongdafeng to Rongda, Sichuan Mianzhu's submission of application materials for real estate transfer/registration to the real estate registration department (including transfer of certified real estate to Rongdafeng and application materials for property ownership certificates and properties without certificate), change of Rongdafeng's legal representative, general manager, directors, supervisors and senior management personnel to Rongda's designated personnel, and transfer of all Rongdafeng's seals (company stamps), business licenses, bank accounts and other information required for operations of Rongdafeng to Rongda. The Group has up to 36 months from 30 January 2024 to complete the transfer of its entire equity interest in Rongdafeng to Rongda.

The carrying value of property, plant and equipment and the associated land use rights of the P4 plant of $12,999,000 and $1,308,000, respectively, were reclassified to "Assets of disposal group" (Note 15) in the balance sheet. As at 31 December 2023, completion of disposal of the P4 Plant Assets was in progress.

As at 31 December 2022, buildings consisted of 7 blocks of industrial buildings with a total gross floor area of 11,902.16 square meters located at No. 13, Jing Shi San Road, Gongxing Industrial Park, Gongxing Town, Mianzhu City, Sichuan Province, PRC.

4 Property, plant and equipment (Cont'd)

Impairment testing

2023
In prior years, an impairment loss of $7,394,000 was recognised on property, plant and equipment of the P4 Plant. The Group recognised a reversal of impairment loss of $4,092,000, based on the adjusted proceeds from the proposed P4 Plant disposal, prior to reclassification of the property, plant and equipment to Disposal Group during the financial year ended 31 December 2023.

2022
In 2018, the Group ceased the production of the elemental phosphorus ("P4") as a result of the Chinese government's actions which deprived the Group of access to phosphate rocks, which is a key raw material, for cost efficient production.
As at 31 December 2022, the carrying value of the P4 plant assets (the "P4 Plant Assets") comprised property, plant and equipment and right-of-use assets with a carrying value of $8,950,000 (Note 4) and $1,295,000 (Note 5), respectively. The Group did not determine value-in-use nor fair value less costs of disposal of the P4 Plant Assets as at 31 December 2022. As at 31 December 2022, the directors were of the view that the carrying values of property, plant and equipment of $8.950 million (Note 4) and right-of-use assets of $1.295 million (Note 5) related to the P4 Plant Assets were sufficiently supported by proceeds from the proposed disposal of the P4 Plant Assets (Note 15) based on an agreement dated 20 March 2023 and supplemental agreement dated 22 March 2023 entered into with Rongda.

5 Right-of-use assets

The Group	Land use rights $'000	Office premises $'000	Total $'000
Cost			
At 1 January 2022	1,852	190	2,042
Currency realignment	(192)	-	(192)
At 31 December 2022	1,660	190	1,850
Lease expiry	**-**	**(190)**	**(190)**
Additions	**-**	**197**	**197**
Reclassified to "Assets of disposal group" (Note 15)	**(1,686)**	**-**	**(1,686)**
Currency realignment	**26**	**-**	**26**
At 31 December 2023	**-**	**197**	**197**
Accumulated depreciation			
At 1 January 2022	371	190	561
Depreciation	36	-	36
Currency realignment	(42)	-	(42)
At 31 December 2022	365	190	555
Depreciation	**7**	**11**	**18**
Lease expiry	**-**	**(190)**	**(190)**
Reclassified to "Assets of disposal group" (Note 15)	**(378)**	**-**	**(378)**
Currency realignment	**6**	**-**	**6**
At 31 December 2023	**-**	**11**	**11**
Net carrying amount			
At 31 December 2023	**-**	**186**	**186**
At 31 December 2022	1,295	-	1,295

5 Right-of-use assets (Cont'd)

Land use rights represented cost of land use rights in respect of one plot of land located in Sichuan Province, PRC. A PRC subsidiary obtained land use rights in Mianzhu City, Sichuan Province, PRC, with licensed tenure of approximately 50 years when obtained in December 2011 and February 2015.

As at 31 December 2022, the recoverable amount of land use rights was assessed as part of the cash-generating unit of the P4 Plant Assets (Note 4).

As at 31 December 2022, right-of-use assets with carrying value of $1,295,000 (RMB6,745,000) related to the Elemental phosphorus ("P4") plant was pledged to secure the interest-bearing bank loan (Note 25).

6 Goodwill

The Group	$'000
Cost	
At 1 January 2023	-
Reclassification from "Assets of disposal group" (Note 15)	**12,249**
At 31 December 2023	**12,249**
Accumulated impairment	
At 1 January 2023	-
Reclassification from "Assets of disposal group" (Note 15)	**12,249**
At 31 December 2023	**12,249**
Net carrying amount	
At 31 December 2022, 1 January 2023 and **at 31 December 2023**	-

7 Intangible assets

The Group	$'000
Cost	
At 1 January 2022	161
Currency realignment	(17)
At 31 December 2022	144
Currency realignment	**(4)**
At 31 December 2023	**140**
Accumulated amortisation	
At 1 January 2022	161
Currency realignment	(17)
At 31 December 2022	144
Currency realignment	**(4)**
At 31 December 2023	**140**
Net carrying amount	
At 31 December 2022 and **at 31 December 2023**	-

Intangible asset represents the registration costs of a license for export of chemical products to countries in the European Union.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8 Mining properties

The Group	Exploration and evaluation assets $'000	Producing mines $'000	Total $'000
Cost			
At 1 January 2023	-	-	-
Reclassified from "Assets of disposal group" (Note 15)	**26,288**	**34,172**	**60,460**
Currency realignment	**(1,174)**	**(1,526)**	**(2,700)**
At 31 December 2023	**25,114**	**32,646**	**57,760**
Accumulated depreciation and impairment			
At 1 January 2023	-	-	-
Reclassified from "Assets of disposal group" (Note 15)	**26,288**	**34,172**	**60,460**
Currency realignment	**(1,174)**	**(1,526)**	**(2,700)**
At 31 December 2023	**25,114**	**32,646**	**57,760**
Net carrying amount			
At 31 December 2022, 1 January 2023 and **at 31 December 2023**	-	-	-

The Group ceased presenting mining properties, fully impaired in prior years, within "Assets of disposal group" (Note 15) with the arbitral award issued by the International Arbitration Tribunal in favour of the counterparty.

9 Investment in subsidiaries

The Company	**2023 $'000**	2022 $'000
Unquoted shares, at cost:		
At 1 January and 31 December	**45,449**	45,449
Accumulated impairment		
At 1 January	**36,049**	36,049
Impairment loss	**9,400**	-
At 31 December	**45,449**	36,049
Net carrying amount		
At 31 December	**-**	9,400

Impairment testing

2023
During the financial year ended 31 December 2023, the Company recognised an impairment loss of $9,400,000 on investment in subsidiaries based on adjusted net assets of the subsidiaries.

2022
The Company assessed the recoverable amount of investment in subsidiaries to be higher than the carrying amount based on adjusted net assets of the subsidiaries, taking into account an agreement dated 20 March 2023 entered into with an unrelated entity (the "Purchaser") and supplemental agreement dated 22 March 2023 (Note 4).

9 Investment in subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ principal place of business	Percentage of equity held by the Company **2023** **%**	2022 %	Principal activities
Held by the Company				
Norwest Chemicals Pte Ltd #	Singapore	**100**	100	Investing in chemical projects, general wholesale trade and trading of chemicals
AP New Energy Pte Ltd #	Singapore	**100**	-	Investment holding and business development
Held through Norwest Chemicals Pte Ltd				
Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd +	People's Republic of China	**100**	100	Exploration, mining and sale of phosphate rocks, the production and sale of phosphorus and phosphate based chemical products
XDL Resources Pte. Ltd. #	Singapore	**100**	100	Investment holding
Held through Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd				
Sichuan Rongdafeng Chemical Co., Ltd.&	People's Republic of China	**100**	-	Manufacturing and sale of chemical products
Held through XDL Resources Pte. Ltd.				
Deyang City Xianrong Technical Consulting Co., Ltd. ^	People's Republic of China	**100**	100	Mining activities, internet technology consulting services, and wholesale of mineral products; and transportation services
Held through Deyang City Xianrong Technical Consulting Co., Ltd.				
Deyang Fengtai Mining Co., Ltd.+	People's Republic of China	**55**	55	Sale of mineral products

^ Audited by Foo Kon Tan LLP for consolidation purposes
\+ Audited by Sichuan Zhongfa CPA Co., Ltd., a member firm of HLB International
& Dormant

9 Investment in subsidiaries (Cont'd)

Interest in a subsidiary with material non-controlling interest

The Group has elected to measure the non-controlling interest at the non-controlling interest's proportional share of Deyang Fengtai Mining Co., Ltd.'s net identifiable assets.

The Group has a subsidiary that has non-controlling interest that is material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit/(loss) allocated to non-controlling interest during the period	Accumulated non-controlling interest at the end of the reporting period	Dividends paid to non-controlling interest
			$'000	$'000	$'000
At 31 December 2023					
Deyang Fengtai Mining Co., Ltd.	**People's Republic of China**	**45%**	**5**	**(2,533)**	**-**
At 31 December 2022					
Deyang Fengtai Mining Co., Ltd.	People's Republic of China	45%	(1)	(2,538)	-

Summarised financial information of a subsidiary with material non-controlling interest
Summarised financial information Deyang Fengtai Mining Co., Ltd. including goodwill on acquisition but before eliminations of intercompany balances are as follows:

Summarised balance sheet

	2023	2022
	$'000	$'000
Current assets	**7**	7
Non-current assets	**-**	-
Current liabilities	**(490)**	(503)
Non-current liabilities	**-**	-
Net liabilities	**(483)**	(496)

Summarised statement of comprehensive income

	2023	2022
	$'000	$'000
Loss before taxation	**(2)**	(58)
Profit/(loss) after taxation representing total comprehensive loss for the year	**13**	(3)
Other summarised information		
Net cash flows from operating activities	**(2)**	(58)
Net cash flows from investing activities	**-**	-
Net cash flows from financing activities	**2**	8

10 Other receivables and prepayments

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Non-current				
Deposits for rehabilitation and mining levy	**38**	-	**-**	-
Less: Impairment losses	**(38)**	-	**-**	-
	-	-	**-**	-
Deposits	**10**	8	**-**	-
	10	8	**-**	-
	10	8	**-**	-
Current				
Miscellaneous prepayments	**117**	340	**31**	54
Prepaid tax	**248**	272	**-**	-
Other receivables	**513**	482	**19**	24
Less: Impairment losses	**(410)**	(458)	**-**	-
	103	24	**19**	24
	468	636	**50**	78

Deposits for rehabilitation and mining levy represent payments made to local PRC authorities in respect of i) the Group's rehabilitation obligations upon mine closure; and ii) the Group's obligations for future payments of mining levy during the term of mining operations.

Prepaid tax relates to tax paid in advance on the proposed disposal of the Phase 2 Factory Assets based on a preliminary estimation.

Other receivables are unsecured, interest-free and repayable on demand and denominated in the functional currencies of the respective entities at the end of the reporting period.

Movements in impairment losses on deposits for rehabilitation and mining levy are as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Balance at beginning of the year	**-**	-	**-**	-
Reclassification from "Assets of disposal group" (Note 15)	**38**	-	**-**	-
Balance at end of the year	**38**	-	**-**	-

Movements in impairment losses on other receivables and prepayments are as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Balance at beginning of the year	**458**	450	**-**	-
Impairment loss recognised	**-**	97	**-**	-
Impairment loss reversed	**(48)**	(89)	**-**	-
Balance at end of the year	**410**	458	**-**	-

11 Inventories

The Group	**2023 $'000**	2022 $'000
Raw materials and packaging, at cost	**-**	90
Finished goods, at net realisable value	**52**	133
	52	223
Consolidated statement of comprehensive income		
Write-down in value of inventories	**10**	-
Write-off of inventories	**12**	-
Stocks recognised as an expense in cost of sales		
- Continuing operations	**1,373**	1,915
- Discontinued operations	**-**	-

12 Trade receivables

	The Group		**The Company**	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Trade receivables	**124**	147	**50**	72
Less: Impairment loss recognised	**(73)**	(75)	**-**	-
	51	72	**50**	72

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms.

Trade receivables are denominated in the functional currencies of the respective entities as at the end of the reporting period.

Movements in impairment losses in respect of trade receivables are as follows:

	The Group		**The Company**	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Balance at beginning of the year	**75**	84	**-**	-
Currency realignment	**(2)**	(9)	**-**	-
Balance at end of the year	**73**	75	**-**	-

13 Amounts due from subsidiaries

The Company	**2023 $'000**	2022 $'000
Amounts due from subsidiaries		
- Advances	**-**	-
- Non-trade	**42**	42
	42	42
Less: Impairment losses	**(42)**	(42)
	-	-

Amounts due from subsidiaries were unsecured, interest-free, repayable on demand.

13 Amounts due from subsidiaries (Cont'd)

Movements in impairment losses in respect of amounts due from subsidiaries are as follows:

The Group	2023 $'000	2022 $'000
At beginning of the year	**42**	-
Impairment loss recognised	**-**	42
At end of the year	**42**	42

14 Cash and bank balances

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash and bank balances	**426**	271	**61**	81
Fixed deposits	**439**	486	**-**	-
	865	757	**61**	81

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash and bank balances	**865**	757	**61**	81
Less: Pledged deposit for bank loan	**(241)**	(282)	**-**	-
Less: Restricted deposits	**(198)**	(204)	**-**	-
Cash and cash equivalents	**426**	271	**61**	81

Pledged deposit relates to the balance in a bank account which can only be used for payment of interest on a bank loan (Note 25).

In 2019, the Chinese government refunded deposits in respect of Group's rehabilitation obligations for its mines and requires the amounts to be held in specific bank accounts. The use of these deposits is restricted until the completion of the rehabilitation of the mines.

Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
United States Dollar	**5**	61	**1**	48
Euro	**1**	1	**1**	1
Chinese Renminbi	**761**	644	**-**	-
Singapore Dollar	**98**	51	**59**	32
	865	757	**61**	81

15 Discontinued operations and disposal group

The Group	2023 $'000	2022 $'000
Assets of disposal group	**13,665**	-
Liabilities of disposal group	**6,086**	764

The Group	2023 $'000	2022 $'000
Assets of disposal group:		
(i) Mining assets		
Mine properties	-	58,743
Mining related property, plant and equipment	-	11,000
Goodwill	-	12,249
Deposits for rehabilitation and mining levy	-	37
	-	82,029
Less: Impairment losses	-	(82,029)
	-	-
(ii) P4 Plant assets		
Property, plant and equipment	**12,418**	-
Land use rights	**1,247**	-
	13,665	-
Liabilities of disposal group:		
(i) Mining assets		
Provision for rehabilitation	-	(764)
(ii) P4 Plant assets		
Interest-bearing bank loan	**(3,367)**	-
Other payables	**(2,719)**	-
	(6,086)	(764)
Net assets/(liabilities) of disposal group	**7,579**	(764)

Movements in impairment losses in respect of assets of disposal group are as follows:

The Group	2023 $'000	2022 $'000
At beginning of the year	**82,029**	90,066
Currency realignment	**2,097**	(8,037)
Reclassification to:		
- Property, plant and equipment	**(11,379)**	-
- Mining properties	**(60,460)**	-
- Goodwill	**(12,249)**	-
- Other receivables	**(38)**	-
	-	82,029

Mining Assets

In September 2017, the assets (the "Mining related Assets") and directly associated liabilities (the "Mining related Assets") of Mine 1 and Mine 2 ("Mine 1" and "Mine 2") of Sichuan Mianzhu and the mine of Deyang Fengtai Mining Co., Ltd. ("Fengtai Mine") (collectively, the "Mining Assets Group") were reclassified as assets and liabilities of disposal group in the Group's consolidated balance sheet on 30 November 2017 as a result of the Chinese Government's request for the Group's evacuation and rehabilitation of its mining site in respect of Mine 2 and the Fengtai mine, and the non-renewal of the Mine 1 mining license.

The Group had been advised that the Group's ownership of the Mining related Assets was still valid as at 31 December 2017 and the Chinese Government's action was tantamount to an indirect expropriation of these Mining-related Assets.

15 Discontinued operations and disposal group (Cont'd)

Mining Assets (Cont'd)
SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* requires non-current assets to be classified as held for sale if the carrying amount will be recovered principally through a sale transaction or otherwise rather than continuing use. The carrying value of the Mining related Assets is expected to be recovered principally through compensation receivable from the Chinese Government for the expropriation of the Mining-related Assets.

The Group adopted the principles set out in SFRS(I) 5 in its accounting treatment of the Mining related Assets as an expropriation is in substance and effect, a compulsory acquisition of the Mining related Assets carried out by the Chinese Government. All mining related property, plant and equipment, mine properties, goodwill, deposits for mining levy were reclassified as "assets of disposal group" in current assets on the consolidated balance sheet effective 30 November 2017. Provision for rehabilitation was reclassified as "liabilities of disposal group" in current liabilities on the consolidated balance sheet effective 30 November 2017 as the provision is directly associated with the disposal group and the directors are of the view that the cost of rehabilitation will be deducted from the settlement proceeds. Since 30 November 2017, the results from mining operations were presented separately as "Discontinued operations" on the Group's consolidated income statement.

SFRS(I) 5 also recognises that events and circumstances may extend the period required to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude the disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the disposal group.

In 2020, the Group commenced arbitration at the International Arbitration Tribunal (the "Tribunal") seeking compensation from the Chinese Government.

As at 31 December 2021, the Board reassessed the Group's position in the investment dispute with the Chinese Government and determined that it was unlikely that the dispute would be settled amicably. Any compensation was subject to the outcome of the arbitration. Accordingly, the Group recognised an impairment loss on the book value of $90,066,000 on the Mining related Assets presented within "assets of disposal group", and reversed deferred tax liabilities of $16,383,000 from "liabilities of disposal group" to "Tax credit" in "Profit/(Loss) from discontinued operations, net of tax".

As at 31 December 2022, the disposal of Mining Assets Group had not been completed. Accordingly, the directors were of the view that it was appropriate for the Group to continue to present all mining related assets, liabilities and goodwill as "assets of disposal group" and "liabilities of disposal group" respectively on the Group's consolidated balance sheet as of 31 December 2022.

In February 2023, the International Arbitration Tribunal ruled that Article 13(3) of China-Singapore Bilateral Investment Treaty (1985) did not afford jurisdiction over the Group's expropriation claims and Article 4 of the Treaty did not afford jurisdiction over the remaining claims. The Group filed a petition to the Swiss Supreme Court on 20 March 2023 seeking inter alia, to set aside the International Arbitration Tribunal jurisdictional award and the legal costs awarded to China. As announced on 25 January 2024, the Group was unsuccessful in its appeal to the Swiss Supreme Court. The Board had ascertained that it was no longer appropriate to continue to classify the Mining Assets Group as a disposal group. As such, the Mining Assets Group were reclassified from "Assets of disposal group" to property, plant and equipment (Note 4), mining properties (Note 8), goodwill (Note 6) and other receivables (Note 10), and provision for rehabilitation was reclassified from "Liabilities of disposal group" to provision for reinstatement cost (Note 21) during the financial year ended 31 December 2023.

P4 Plant Assets - Details are as set out in Note 4.

15 Discontinued operations and disposal group (Cont'd)

Income statement disclosures:

The results of discontinued operations for the year ended 31 December 2023 and 2022 are as follows:

The Group	2023 $'000	2022 $'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Finance costs	(205)	-
Other income	5,155	-
Profit before tax from discontinued operations	4,950	-
Tax credit (Note 31)	1,292	-
Profit from discontinued operations, net of tax	6,242	-

Other income comprises rental income on the lease of the P4 plant of $1,063,000, and reversal of impairment loss on property, plant equipment of the P4 Plant Assets of $4,092,000.

Tax credit of $1,292,000 relates to the reversal of deferred tax liabilities relating to the P4 Plant.

Cash flow statement disclosures:

The cash flows attributable to discontinued operations are as follows:

The Group	2023 $'000	2022 $'000
Net cash generated from operating activities	858	-

16 Non-current assets held for sale

The Group	2023 $'000	2022 $'000
Right-of-use assets (land use rights)	2,299	2,406
Property, plant and equipment	3,247	3,399
	5,546	5,805

On 29 November 2021, the Company's subsidiary, Sichuan Mianzhu entered into a sale and purchase agreement ("SPA") with Sichuan Mianzhu Huaxinfeng Food Co., Ltd relating to the proposed disposal of its Sodium Tripolyphosphate plant ("STPP") (referred hereinafter as Phase 2 Factory Assets") and the associated land use rights for cash consideration of RMB31,500,000. The land use right, measuring approximately 92,425 square metres with a 50-year tenure with effect from January 2015, is located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, PRC. Arising therefrom, Phase 2 Factory Assets, comprising factory and office buildings, plant and equipment and land use rights were transferred from property, plant and equipment and right-of-use asset (land use rights) to "non-current assets held for sale" and presented separately in the balance sheet.

17 Share capital

The Company	31 December 2023 No. of ordinary shares '000	31 December 2022 '000	31 December 2023 $'000	31 December 2022 $'000
Ordinary shares issued and fully paid, with no par value:				
Balance at beginning and at end of year	**1,031,525**	1,031,525	**78,283**	78,283

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

18 Reserves

	The Group		The Company	
	2023 **$'000**	2022 $'000 (Restated)	**2023** **$'000**	2022 $'000
Accumulated losses	**(78,493)**	(80,567)	**(85,437)**	(74,627)
Foreign currency translation reserve	**140**	897	**-**	-
Merger reserve	**850**	850	**-**	-
Safety fund surplus reserve	**1,550**	1,550	**-**	-
	(75,953)	(77,270)	**(85,437)**	(74,627)

(a) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's presentation currency.

(b) Merger reserve

Merger reserve arose from the restructuring exercise involving entities under common control which took place in 2013 and represented the difference between the consideration paid and the equity acquired under the pooling of interest method. All assets and liabilities acquired by the Group were recorded at their carrying values at the date of acquisition.

(c) Safety fund surplus reserve

In accordance with the Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC in February 2012, a PRC subsidiary is required to make appropriation to a Safety Fund Surplus Reserve based on the volume of mineral ore extracted and revenue of elemental phosphorus sold in the previous financial year. The reserve can only be transferred to retained earnings to offset safety related expenses as and when incurred, including expenses related to safety production facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

19 Deferred income

The Group	2023 $'000	2022 $'000
Non-current		
At 1 January	**1,869**	2,085
Currency realignment	**(57)**	(216)
At 31 December	**1,812**	1,869

Non-current deferred income represented government grants received in relation to certain plant and equipment. The Group has ceased amortisation of deferred income until resumption of operations at the P4 plant and depreciation of the underlying assets for which the government grants were provided.

20 Deferred tax assets and liabilities

The Group	2023 $'000	2022 $'000 (Restated)
Deferred tax assets/(liabilities)		
At beginning of the year	**(995)**	(1,012)
Credit/(Charge) to profit or loss	**1,222**	(69)
Currency realignment	**(49)**	86
At end of the year	**178**	(995)

Deferred tax assets/(liabilities) comprise the following:

The Group	2023 $'000	2022 $'000
Deferred income	**468**	483
Unremitted foreign income	**(290)**	(228)
Difference in depreciation for tax purpose	**-**	(1,250)
	178	(995)

Movement of deferred tax assets/(liabilities) is as follows:

Deferred income The Group	2023 $'000	2022 $'000
At beginning of the year	**483**	523
Currency realignment	**(15)**	(40)
At end of the year	**468**	483

Unremitted foreign income The Group	2023 $'000	2022 $'000 (Restated)
At beginning of the year	**(228)**	(180)
Charge to profit or loss	**(70)**	(69)
Currency realignment	**8**	21
At end of the year	**(290)**	(228)

20 Deferred tax assets and liabilities (Cont'd)

Difference in depreciation for tax purposes	2023 $'000	2022 $'000
The Group		
At beginning of the year	**(1,250)**	(1,355)
Credit to profit or loss	**1,292**	-
Currency realignment	**(42)**	105
At end of the year	**-**	(1,250)

During the financial year ended 31 December 2023, the Group reversed deferred tax liabilities of $1,292,000 as it considered it probable that future taxable profit, from the proposed disposal of P4 Plant Assets, would be available against which such losses can be used.

21 Provision for reinstatement costs

Movements in provision for reinstatement cost are as follows:

The Group	2023 $'000	2022 $'000
At 1 January	**27**	27
Reclassification from "Liabilities of disposal group" (Note 15)	**764**	-
Currency realignment	**(24)**	-
At 31 December	**767**	27

Provision for reinstatement cost is denominated in the following currencies:

The Group	2023 $'000	2022 $'000
Chinese Renminbi	**740**	-
Singapore Dollar	**27**	27
	767	27

The Group	2023 $'000	2022 $'000
Presented as:		
Non-current	**767**	27

Provision for reinstatement costs relates to estimated costs of dismantlement, removal or reinstatement of right-of-use assets arising from the lease of office premises and rehabilitation of mining sites.

22 Lease liability

The Group	2023 $'000	2022 $'000
Undiscounted lease payments due:		
- Year 1	**38**	31
- Year 2	**38**	32
- Year 3	**38**	32
- Year 4	**38**	24
- Year 5	**38**	-
- Year 6	**25**	-
	215	119
Less: unearned interest costs	**(26)**	(11)
Lease liability	**189**	108
Presented as:		
- Non-current	**159**	81
- Current	**30**	27
	189	108

Total cash outflows for the Group's leased office premises during the year amount to $33,600 (2022 - $31,000).

Interest expense on lease liability of $6,000 (2022 - $6,000) is recognised within "finance costs" in profit or loss.

23 Trade and other payables

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade payables	**49**	244	**-**	-
Fixed assets vendors	**-**	173	**-**	-
Rental deposit – P4 Plant Assets	**744**	-	**-**	-
Taxes other than income tax	**-**	1,700	**-**	-
Other payables	**1,793**	593	**1,602**	21
Accrued liabilities	**551**	622	**135**	284
	3,137	3,332	**1,737**	305
Advance sales consideration received from proposed assets disposal *	**5,862**	6,048	**-**	-
	8,999	9,380	**1,737**	305

* As at 31 December 2023 and 2022, advance payment relates to full sales consideration received on the proposed disposal of the Phase 2 Factory Assets classified as non-current assets held for sale (Note 16).

As at 31 December 2022, "Accrued liabilities" included an amount of $156,000 which was not supported by evidence that underlying services had been received by the Group. During the financial year ended 31 December 2023, the $156,000 was reversed to profit or loss.

Trade payables are unsecured, non-interest bearing, normally settled on 30 to 60 days' terms and are to be settled in cash.

Trade and other payables were denominated in the functional currencies of the respective entities at the end of the reporting period.

24 Contract liabilities

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Advances received, represented as:				
Current liabilities	**524**	303	**-**	-

Contract liabilities represent income received in advance for goods which have not been delivered as at the end of reporting period of $78,000 (2022 - $303,000) and advance rental received in respect of the P4 Plant Assets of $446,000 (2022 - $nil).

Revenue recognised for the year ended 31 December 2023 included an amount of $303,000 (2022 - $273,000) from the contract liability balance at the beginning of the financial year.

25 Interest-bearing bank loan

The Group	**2023** **$'000**	2022 $'000
Short-term bank loan	**-**	3,610

The fixed-rate bank loan bore interest at 7% per annum and is denominated in Renminbi.

As at 31 December 2022, the fixed-rate bank loan bearing interest at 7% per annum, was denominated in Renminbi and secured by land use rights (Note 5), certain property, plant and equipment (Note 4), a pledged deposit (Note 14) and a corporate guarantee provided by the Company of $3,648,000 (RMB19,000,000).

During the financial year ended 31 December 2023, the loan was reclassified to "Liabilities of disposal group" (Note 15). On 30 January 2024, the loan was fully repaid.

26 Amounts due to a director

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
(i) Loan				
- Principal	**1,420**	1,600	**1,420**	1,600
- Interest	**293**	151	**293**	151
	1,713	1,751	**1,713**	1,751
(ii) Expense claims	**40**	41	**-**	-
	1,753	1,792	**1,713**	1,751

Loan to a director, who is also a controlling shareholder via his deemed interest in FICA (Pte.) Ltd., is unsecured, repayable on demand and bears interest at 11% per annum (2022 - interest-free).

Expense claims due to a director is interest-free, unsecured, repayable on demand.

27 Loan due to a controlling shareholder

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Principal	**1,028**	432	**1,028**	432
Interests	**93**	24	**93**	24
	1,121	456	**1,121**	456

The loan is for working capital, is unsecured, repayable on demand and bears interest at 11% per annum (2022 - interest-free).

28 Amounts due to subsidiaries

The Company	**2023 $'000**	2022 $'000
Amounts due to subsidiaries		
- Advances	**853**	1,572
- Non-trade	**1,891**	1,891
	2,744	3,463

Amounts due to subsidiaries, comprising mainly advances and payments made on behalf of the Company, are unsecured, interest-free, repayable on demand and are to be settled in cash.

29 Other income

The Group	**2023 $'000**	2022 $'000 (Restated)
From continuing operations		
Foreign exchange gain	**393**	445
Reversal of impairment loss on other receivables and prepayments	**48**	89
Interest income	**2**	164
Rental income	**-**	68
Government grant	**-**	6
Funding for arbitration #	**222**	2,243
Others	**136**	17
	801	3,032

On 18 August 2022, the Company and its wholly-owned subsidiary, Norwest Chemicals Pte Ltd, entered into an agreement with a US-based fund pertaining to a non-recourse funding to the Group in connection with the arbitration fees and costs for the international arbitration proceedings against the government of the People's Republic of China in respect of the Mining Assets Group.

30 Profit/(Loss) before taxation

The following items have been included in arriving at profit/(loss) before tax from continuing operations and discontinued operations:

30.1 From continuing operations

The Group	2023 $'000	2022 $'000 (Restated)
Audit fees		
- Auditors of the Company	**90**	84
- Affiliates of auditors of the Company	**17**	19
Depreciation and amortisation expense		
- Property, plant and equipment	**51**	251
- Right-of-use asset	**18**	36
Staff costs	**373**	304
Contribution to defined contribution plan	**26**	25
Directors' fees		
- Directors of the Company	**108**	108
- Directors of subsidiaries	**-**	-
Directors' remuneration		
- Directors of the Company	**116**	116
- Directors of subsidiaries	**75**	-
Finance costs		
- Interest on bank loan - P4 Plant	**52**	281
- Interest on bank loan - Phase 2 Factory Assets	**-**	121
- Interest on lease liability	**6**	6
- Interest on amounts due to a director	**141**	-
- Interest on loan due to a controlling shareholder	**70**	-
- Other interest expense	**80**	-
	349	408
Interest income - Phase 2 Factory Assets	**-**	(151)
Rental income - Phase 2 Factory Assets	**-**	(68)
(Reversal of impairment loss)/Impairment loss on other receivables and prepayments, net (Note 10)	**(48)**	8
Impairment loss on prepayments	**-**	41

30.2 From discontinued operations

The Group	2023 $'000	2022 $'000 (Restated)
Finance costs - P4 Plant		
- Interest on bank loan	**205**	-
Rental income - P4 Plant	**(1,063)**	-
Reversal of impairment loss on property, plant and equipment	**(4,092)**	-

31 Income tax expense

The Group	2023 $'000	2022 $'000 (Restated)
Continuing operations		
Current tax expense		
Current year	-	-
	-	-
Deferred tax expense		
Movements in temporary differences (Note 20)	70	69
Income tax expense attributable to continuing operations **(A)**	70	69
Discontinued operations		
Deferred income tax		
Reversal of deferred tax liabilities # (Note 20)	(1,292)	-
Income tax credit attributable to discontinued operations **(B)**	(1,292)	-
Total (continuing operations and discontinued operations) **(A)+(B)**	(1,222)	69

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on losses as a result of the following:

The Group	2023 $'000	2022 $'000 (Restated)
Loss before tax from continuing operations	(4,099)	(1,517)
Profit before tax from discontinued operations	4,950	-
Profit/(Loss) before taxation	851	(1,517)
Tax at statutory rate of 17% (2022 - 17%)	145	(258)
Tax effect on non-deductible expenses	224	235
Tax effect on non-taxable income	(722)	(141)
Effect of tax rates of foreign jurisdictions	154	(299)
Withholding tax	70	69
Deferred tax assets on losses not recognised	199	463
Continuing operations (A)	70	69
Discontinued operations		
Reversal of deferred tax liabilities # (Note 15, 20) **(B)**	(1,292)	-
Total (continuing operations and discontinued operations) (A)+(B)	(1,222)	69

Expenses not deductible for tax purposes relate mainly to tax loss of the Company not allowed for carry-forward and disallowable expenses incurred in the ordinary course of business

Non-taxable income comprises mainly reversal of impairment loss on property, plant and equipment and exchange differences of capital nature (2022: exchange differences of capital nature).

Deferred tax liabilities related to the P4 Plant were reversed upon the reclassification of the P4 Plant Assets to "Assets of disposal group".

31 Income tax expense (Cont'd)

<u>Unrecorded tax losses</u>
As at the end of the reporting period, the Group had estimated unutilised tax losses amounting to approximately $7,410,000 (2022 - $10,024,000) that are available for offset against future taxable profits of the Group. Unutilised tax losses of $5,460,000 expire between 2025 and 2029 (2022 - $8,127,000 expire between 2024 and 2028). The use of these unutilised tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

During the financial year ended 31 December 2023, the Group reversed deferred tax liabilities of $1,292,000 as it considered it probable that future taxable profit, from the proposed disposal of P4 Plant Assets, would be available against which such losses can be used.

Except as disclosed, at the reporting date, the Group has not recognised deferred tax assets in respect of unutilised tax loss due to the uncertainty whether future taxable profits will be available against which the Group can utilise the benefits.

32 Earnings/(Loss) per share

The following table reflect the profit/(loss) data used in the computation of basic and diluted earnings/(loss) per share for the year ended 31 December:

The Group	**Loss from continuing operations, net of tax $'000**	**Profit from discontinued operation, net of tax $'000**	**Profit/(Loss) for the year $'000**
31 December 2023	**(4,169)**	**6,242**	**2,073**
31 December 2022 (Restated)	(1,586)	-	(1,586)

The Group	**2023 '000**	2022 '000
Weighted average number of ordinary shares for basic and diluted earnings/(loss) per share computation	**1,031,525**	1,031,525
Earnings/(Loss) per share (cents per share)		
Basic and diluted		
- Continuing and discontinued operations	**0.20**	(0.15)
- Continuing operations	**(0.40)**	(0.15)
- Discontinued operations	**0.60**	Nil

33 Operating segments

The principal activities of the Group were previously organised into product units and comprised of two reportable segments as follows:

(a) # The upstream segment which comprised of the business of exploration, mining and sale of phosphate rocks; and

(b) The downstream segment which comprised of the business of manufacturing, sale and trading of phosphate chemical products such as Sodium Tripolyphosphate ("STPP"), Sodium Hexametaphosphate ("SHMP") as well as other polyphosphate chemicals.

Following the cessation of the business activities of the upstream segment, the Group's continuing activities comprise trading of phosphate chemical products and trading of a non-chemical product (commodity).

The Chief Operating Decision Maker monitors the operating results of its product units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. However, the information on additions to right-of-use assets, land use rights and property, plant and equipment by operating segments is regularly provided to the Chief Operating Decision Maker.

33 Operating segments (Cont'd)

The Group	Exploration, mining and sale of phosphate rocks (Discontinued operations)		Trading of phosphate chemical products (Continuing operations)		Trading of non-chemical product (Continuing operations)		Adjustments and eliminations		Total	
	31 December 2023 $'000	31 December 2022 $'000 (Restated)	**31 December 2023 $'000**	31 December 2022 $'000 (Restated)	**31 December 2023 $'000**	31 December 2022 $'000	**31 December 2023 $'000**	31 December 2022 $'000 (Restated)	**31 December 2023 $'000**	31 December 2022 $'000 (Restated)
Revenue - external	**-**	-	**1,278**	1,927	**423**	488	**-**	-	**1,701**	2,415
Depreciation of property, plant and equipment	**-**	-	**(51)**	(251)	**-**	-	**-**	-	**(51)**	(251)
Depreciation of right-of-use asset	**-**	-	**(18)**	(36)	**-**	-	**-**	-	**(18)**	(36)
Reversal of impairment loss on property, plant equipment	**4,092**	-	**-**	-	**-**	-	**(4,092)**	-	**-**	-
Interest income	**-**	-	**2**	164	**-**	-	**-**	-	**2**	164
Rental income	**1,063**	-	**-**	68	**-**	-	**(1,063)**	-	**-**	68
Government grant	**-**	-	**-**	-	**-**	6	**-**	-	**-**	6
Exchange gain	**-**	-	**-**	-	**393**	445	**-**	-	**393**	445
Finance costs	**(205)**	-	**(349)**	(408)	**-**	-	**205**	-	**(349)**	(408)
(Impairment loss)/Reversal on other receivables and prepayments, net (Note 10)	**-**	-	**48**	(8)	**-**	-	**-**	-	**48**	(8)
Segment profit/(loss) before tax	**4,950**	-	**(272)**	(27)	**80**	100	**(8,857)**	(1,590)	**(4,099)**	(1,517)
Other information										
Additions to non-current assets	**-**	-	**2**	-	**-**	-	**-**	-	**2**	-

33 Operating segments (Cont'd)

The Group	2023 $'000	2022 $'000
Segment assets	**20,887**	17,548
Trade receivables	**50**	72
Other receivables and prepayments	**50**	78
Cash and bank balances	**61**	81
Total assets	**21,048**	17,779
Segment liabilities	**16,680**	16,914
Trade and other payables	**1,737**	305
Amounts due to a director	**1,713**	1,751
Loan due to a controlling shareholder	**1,121**	456
Total liabilities	**21,251**	19,426

Geographical information

Revenue information based on the geographical location of customers and non-current assets are as follows:

The Group	Revenue 2023 $'000	Revenue 2022 $'000	Non-current assets 2023 $'000	Non-current assets 2022 $'000
People's Republic of China	**-**	8	**-**	10,253
Singapore	**-**	-	**223**	33
India	**937**	1,434	**-**	-
Ireland	**423**	488	**-**	-
Egypt	**-**	161	**-**	-
Japan	**134**	113	**-**	-
Malaysia	**63**	78	**-**	-
Others	**144**	133	**-**	-
	1,701	2,415	**223**	10,286
Less: discontinued operations	**-**	-	**-**	-
Total	**1,701**	2,415	**223**	10,286

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, deposits as presented in the balance sheet.

Information about major customers

The Group	Revenue 31 December 2023 $'000	Revenue 31 December 2023 %	Revenue 31 December 2022 $'000	Revenue 31 December 2022 %
Customer A	**936**	**55%**	1,364	56%
Customer B	**423**	**25%**	488	20%
Customer C	**134**	**8%**	161	7%

Information about products

Revenue information based on products is as follows:

The Group	2023 $'000	2022 $'000
Sodium Hexametaphosphate ("SHMP")	**160**	35
Sodium Trimetaphosphate ("STMP")	**1,118**	1,892
Commodity product	**423**	488
Revenue from continuing operations	**1,701**	2,415
Revenue from discontinued operations	**-**	-
	1,701	2,415

34 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

Compensation of key management personnel

The Group	2023 $'000	2022 $'000
Short-term employee benefits	**521**	448
Central Provident Fund contributions	**35**	35
	556	483
Comprise amounts paid to:		
Directors of the Company	**224**	224
Other key management personnel	**332**	259
	556	483

35 Commitments

Corporate guarantee

The Company has provided a corporate guarantee for a bank loan of $3,367,000 (RMB18,090,000) [2022 - $3,648,000 (RMB19,000,000)] (Note 25) drawn down by a subsidiary. The bank loan was repaid in January 2024.

36 Financial risk management

The Group's and the Company's activities expose them to a variety of financial risks: currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from unpredictability of financial markets on the Group's and the Company's financial performance.

Accounting classification of financial assets and financial liabilities (by categories)

	The Group		The Company	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Financial assets at amortised cost				
Other receivables #	**103**	24	**19**	24
Deposits	**10**	8	**-**	-
Trade receivables	**51**	72	**50**	72
Amounts due from subsidiaries	**-**	-	**-**	-
Cash and bank balances	**865**	757	**61**	81
	1,029	861	**130**	177
Financial liabilities at amortised cost				
Lease liability	**189**	108	**-**	-
Trade and other payables @	**3,137**	3,332	**1,737**	305
Interest-bearing bank loan	**-**	3,610	**-**	-
Amounts due to a director	**1,753**	1,792	**1,713**	1,751
Loan due to a controlling shareholder	**1,121**	456	**1,121**	456
Amounts due to subsidiaries	**-**	-	**2,744**	3,463
	6,200	9,298	**7,315**	5,975

\# Exclude prepayments and prepaid tax on the proposed disposal of the Phase 2 Factory Assets

@ Exclude advance sales consideration received from proposed disposal of Phase 2 Factory Assets

36 Financial risk management (Cont'd)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

At the reporting date, the Group reviews the recoverable amount of debtors to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Significant concentrations of credit risk
Concentrations of credit risk are managed by customers. 100% (2022 - 100%) of the Group's trade receivables were due from 4 (2022 - 4) customers at the end of the reporting period.

Exposure to credit risk
A summary of the Group's and the Company's exposures to credit risk for trade and other receivables is as follows:

The Group	Note	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
At 31 December 2023					
Trade receivables	(1)	Lifetime ECL	**124**	**(73)**	**51**
Other receivables	(2)	Lifetime ECL	**513**	**(410)**	**103**
Deposits	(2)	Lifetime ECL	**48**	**(38)**	**10**
			685	**(521)**	**164**
At 31 December 2022					
Trade receivables	(1)	Lifetime ECL	147	(75)	72
Other receivables	(2)	Lifetime ECL	482	(458)	24
Deposits	(2)	Lifetime ECL	8	-	8
			637	(533)	104

The Company	Note	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
At 31 December 2023					
Trade receivables	(1)	Lifetime ECL	**50**	**-**	**50**
Other receivables	(2)	Lifetime ECL	**19**	**-**	**19**
Non-trade amount due from subsidiaries	(3)	Lifetime ECL	**42**	**(42)**	**-**
			111	**(42)**	**69**
At 31 December 2022					
Trade receivables	(1)	Lifetime ECL	72	-	72
Other receivables	(2)	Lifetime ECL	24	-	24
Non-trade amount due from subsidiaries	(3)	Lifetime ECL	42	(42)	-
			138	(42)	96

36 Financial risk management (Cont'd)

Credit risk (Cont'd)
Exposure to credit risk (Cont'd)

(1) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

(2) Other receivables and deposits

Loss allowance for other receivables is measured at an amount equal to lifetime expected credit losses ("ECL"), which is consistent with the approach adopted for trade receivables. The ECL on other receivables are estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the reporting date, no loss allowance for other receivables was required except as disclosed. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

(3) Non-trade amounts due from subsidiaries

Expected credit loss allowance on non-trade amounts due from subsidiaries is assessed based on whether the related parties have sufficient accessible highly liquid assets to repay the amount to the Company if demanded at the reporting date.

An ageing analysis of trade receivables, net of impairment losses at the reporting date is as follows:

The Group	**2023 $'000**	2022 $'000
Not past due	**51**	71
Past due 0 - 30 days	**-**	-
Past due 31 - 60 days	**-**	-
Past due 61 - 90 days	**-**	-
Past due over 90 days	**-**	1
	51	72

Cash and cash equivalents
Cash is placed with financial institutions which are regulated and have good credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

36 Financial risk management (Cont'd)

Liquidity risk
Liquidity or funding risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The following are the contractual maturities of financial instruments based on expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

The Group	Carrying amount $'000	Contractual undiscounted cash flows Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2023					
Financial liabilities					
Lease liability	**189**	**215**	**38**	**152**	**25**
Trade and other payables @	**3,137**	**3,137**	**3,137**	**-**	**-**
Amounts due to a director	**1,753**	**1,753**	**1,753**	**-**	**-**
Loan due to a controlling shareholder	**1,121**	**1,121**	**1,121**	**-**	**-**
	6,200	**6,226**	**6,049**	**152**	**25**
As at 31 December 2022					
Financial liabilities					
Lease liability	108	119	31	88	-
Trade and other payables @	3,332	3,332	3,332	-	-
Interest-bearing bank loan	3,610	3,863	3,863	-	-
Amounts due to a director	1,792	1,792	1,792	-	-
Loan due to a controlling shareholder	456	456	456	-	-
	9,298	9,562	9,474	88	-

@ Exclude advance sales consideration received from proposed disposal of Phase 2 Factory Assets

The Company	Carrying amount $'000	Contractual undiscounted cash flows Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2023					
Financial liabilities					
Other payables	**1,737**	**1,737**	**1,737**	**-**	**-**
Amounts due to a director	**1,713**	**1,713**	**1,713**	**-**	**-**
Loan due to a controlling shareholder	**1,121**	**1,121**	**1,121**	**-**	**-**
Amounts due to subsidiaries	**2,744**	**2,744**	**2,744**	**-**	**-**
	7,315	**7,315**	**7,315**	**-**	**-**
As at 31 December 2022					
Financial liabilities					
Other payables	305	305	305	-	-
Amounts due to a director	1,751	1,751	1,751	-	-
Loan due to a controlling shareholder	456	456	456	-	-
Amounts due to subsidiaries	3,463	3,463	3,463	-	-
	5,975	5,975	5,975	-	-

36 Financial risk management (Cont'd)

Foreign currency risk
Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

During the financial year ended 31 December 2023, approximately 44% (2022 - 41%) of the Group's sales were denominated in the United States Dollar, whilst almost 100% of operating costs were denominated in the functional currencies of the respective Group's entities. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies against the functional currencies of the respective Group's entities at the end of reporting period are as below:

The Group

	2023 $'000	2022 $'000
Assets		
- denominated in United States Dollar ("USD")	**55**	259
- denominated in Renminbi ("RMB")	**1,175**	1,133
Liabilities		
- denominated in United States Dollar ("USD")	**370**	3
- denominated in Renminbi ("RMB")	**1,637**	6,701

Sensitivity analysis for foreign currency risk
A 5% strengthening of the USD and RMB against the functional currencies of the Group entities at the reporting date would increase/(decrease) profit or loss before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. A weakening of the USD and RMB would have an equal but opposite effect. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

	2023		2022	
The Group	**Loss before tax increase/ (decrease) $'000**	**Equity increase/ (decrease) $'000**	Loss before tax increase/ (decrease) $'000	Equity increase/ (decrease) $'000
USD strengthens 5% (2022 - 5%)	**(37)**	**37**	(13)	13
RMB strengthens 5% (2022 - 5%)	**(48)**	**48**	(56)	56

The RMB is not freely convertible. Under the PRC foreign exchange rules and regulations, payments of current account items, including profit distributions, interest payments and expenditures related to business operations, are permitted to be made in foreign currencies without prior government approval but are subject to certain procedural requirements. Strict foreign exchange controls continue to apply to capital account transactions. Capital account transactions must be registered with and approved by the State Administration for Foreign Exchange of the PRC. Repayments of loan principal, distributions of returns on direct capital investment and investments in negotiable instruments are also subject to restrictions.

36 Financial risk management (Cont'd)

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. As at the balance sheet date, the Group and the Company do not hold variable-rate financial instruments.

Market price risk
Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices. As at the balance sheet date, the Group and the Company do not hold any quoted or marketable financial instruments, hence is not exposed to any movement in market prices.

37 Fair value measurement

Management has determined that the carrying amounts of cash and cash equivalents, current trade and other receivables (excluding prepayments and prepaid tax on proposed disposal of Phase 2 Factory Assets), lease liability, trade and other payables (excluding advance sales consideration received from proposed disposal of Phase 2 Factory Assets), interest-bearing bank loan, amounts due to a director, loan due to a controlling shareholder, and amounts due from/(to) subsidiaries approximate their fair values because of the short period to maturity.

38 Prior year adjustment and reclassifications

<u>Prior year adjustment</u>
In prior years, deferred tax liabilities related to unremitted interest income was overstated.

<u>Prior year reclassifications</u>
Results related to the Phase 2 Assets were included in "Discontinued operations" instead of "Continuing operations" for the year ended 31 December 2022.

Interest income of $151,000 and rental income of $68,000.

@ Interest on bank loan of $121,000.

The prior years adjustments and reclassifications, at nil tax, to the extent that they are applied retrospectively, have the following impact:

Statements of financial position
as at 31 December 2022

The Group	As reported $'000	Adjustment/ reclassification $'000	As restated/ reclassified $'000
Reserves	(77,392)	122 *	(77,270)
Equity attributable to owners of the Company	891	122	1,013
Total Equity	(1,647)	122	(1,525)
Deferred tax liabilities	1,117	(122) *	995
Total Liabilities	19,426	(122)	19,304

38 Prior year adjustment and reclassifications (Cont'd)

Statements of financial position
as at 1 January 2022

The Group	As reported $'000	Adjustment/ reclassification $'000	As restated/ reclassified $'000
Reserves	(74,888)	92 *	(74,796)
Equity attributable to owners of the Company	3,395	92	3,487
Total Equity	858	92	950
Deferred tax liabilities	1,104	(92) *	1,012
Total Liabilities	20,988	(92)	20,896

Consolidated statement of comprehensive income
for the financial year ended 31 December 2022

The Group	As reported $'000	Adjustment/ reclassification $'000	As restated/ reclassified $'000
Continuing operations			
Other income	2,813	219 #	3,032
Finance costs	(287)	(121) @	(408)
Loss before tax from continuing operations	(1,615)	98	(1,517)
Income tax expense	(99)	30 *	(69)
Loss from continuing operations, net of tax	(1,714)	128	(1,586)
Loss for the year	(1,616)	30	(1,586)
Discontinued operations			
Profit from discontinued operations, net of tax	98	(98)	-
Profit/(Loss) for the year	(1,616)	30 *	(1,586)
Profit/(Loss) for the year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax	(1,688)	128	(1,560)
- Profit from discontinued operations, net of tax	98	(98)	-
	(1,590)	30	(1,560)
Profit/(Loss) for the year	(1,616)	30	(1,586)
Total comprehensive profit/(loss) for the year attributable to:			
Owners of the Company	(2,504)	30	(2,474)
Total comprehensive loss for the year	(2,505)	30	(2,475)

Consolidated statement of cash flows
for the financial year ended 31 December 2022

The Group	As reported $'000	Adjustment/ reclassification $'000	As restated/ reclassified $'000
Cash Flows from Operating Activities			
Profit/(Loss) before tax from:			
- Continuing operations	(1,615)	98	(1,517)
- Discontinued operations	98	(98)	-
Profit/(Loss) before taxation	(1,517)	-	(1,517)

39 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;
(b) To support the Group's and the Company's stability and growth;
(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
(d) To provide an adequate return to shareholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives or processes during the financial years ended 31 December 2022 and 2023.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, interest-bearing bank loan, lease liability, amounts due to a director, loan to a controlling shareholder, less cash and bank balances. Capital includes equity attributable to owners of the Company.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group	2023 $'000	2022 $'000 (Restated)
Trade and other payables	**8,999**	9,380
Contract liabilities	**524**	303
Interest-bearing bank loan	**-**	3,610
Lease liability	**189**	108
Amounts due to a director	**1,753**	1,792
Loan due to a controlling shareholder	**1,121**	456
Less: Cash and bank balances	**(865)**	(757)
Net debt **(A)**	**11,721**	14,892
Capital **(B)**	**2,330**	1,013
Capital and net debt (C)=(A)+(B)	**14,051**	15,905
Gearing ratio (D)=(A)/(C)	**83%**	94%

40 Events occurring after the reporting period

Repayment of bank loan
On 30 January 2024, part of the proceeds received from Rongda on the proposed sale of the P4 plant was utilised to fully repay the interest-bearing bank loan.

Disposal of the P4 plant
On 29 January 2024, Sichuan Mianzhu entered into a Supplementary Cooperation Agreement II ("Agreement II") with Rongda. Pursuant to the terms and provisions of Agreement II, Rongda made a payment of RMB39,390,000 on 8 February 2024 into an escrow account, which shall be released to the Group upon completion of the transfer of, inter alia, the RMB14.61 million Liability, and personnel of Sichuan Mianzhu to Rongdafeng.

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40 Events occurring after the reporting period (Cont'd)

Disposal of the P4 plant (Cont'd)

Completion of the proposed P4 Plant disposal is subject to, among others, Sichuan Mianzhu's transfer of the P4 Plant Assets and the RMB14.61 million Liability to Rongdafeng, Sichuan Mianzhu's transfer of its 100% equity interest in Rongdafeng to Rongda, Sichuan Mianzhu's submission of application materials for real estate transfer/registration to the real estate registration department (including transfer of certified real estate to Rongdafeng and application materials for property ownership certificates and properties without certificate), change of Rongdafeng's legal representative, general manager, directors, supervisors and senior management personnel to Rongda's designated personnel, and transfer of all Rongdafeng's seals (company stamps), business licenses, bank accounts and other information required for operations of Rongdafeng to Rongda. In March 2024, the P4 Plant Assets were transferred to Rongdafeng. The Group has up to 36 months from 30 January 2024 to complete the transfer of its entire equity interest in Rongdafeng to Rongda.

International arbitration

On 24 January 2024, the Swiss Supreme Court rejected the Group's appeal against the arbitral award made in February 2023 by the International Arbitration Tribunal in favour of the Chinese Government ordering the Group to reimburse the Chinese Government legal costs of USD280,000 ($370,000) and RMB6,350,000 ($1,180,000). A provision for these amounts has been made in the financial statements for the year ended 31 December 2023.

Incorporation of a subsidiary

On 25 March 2024, the Group announced the incorporation of a wholly-owned subsidiary, Norwest Global Trading Pte Ltd (the "New Subsidiary"), whose principal activities are wholesale trade of a variety of goods without a dominant product and carbon credit brokers/traders. The incorporation is funded through the Group's internal resources. The initial issued and paid-up capital of the New Subsidiary is $1.00, comprising of 1 ordinary share.

Potential legal claim and freezing of bank account

On 27 March 2024, the Company's wholly-owned subsidiary, Sichuan Mianzhu was informed that Huili County Jiahong Chemical Co., Ltd. ("Huili Jiahong") had applied to the Mianzhu Municipal People's Court ("the Court") and obtained a court order to freeze one Sichuan Mianzhu's bank account with Agriculture Bank of China (Mianzhu Branch) up to the maximum amount of RMB 7 million.

This frozen account is the one that was set up as an escrow account for the transaction with Rongda (Note 4, Note 15). Management understands that the above matter may be related to the cleaning up work carried out by Huili Jiahong after the Wenchuan Earthquake in 2008 at Sichuan Mianzhu's old factory in Hanwang Town. Sichuan Mianzhu is in the process of consulting its lawyers in the People's Republic of China and will contest the claim when it is filed with the Court or settle the amount amicably if the claim has merit. Currently, it is not possible to estimate the financial impact on the Group as Sichuan Mianzhu's lawyers will only be able to provide advice when it has a copy of the legal claim and after it has a chance to assess the merits of the claim. Management and the directors are of the opinion that there are grounds of defences to the claim. No provision has been made for this claim.

Rights issue

As announced on 28 March 2024, the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 515,762,342 new ordinary shares in the capital of the Company (the "Rights Shares"), at an issue price of S$0.0054 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (the "Shares") held by existing as at a date and time to be determined by the Directors.

SUBSTANTIAL SHAREHOLDERS

(AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2024)

Name of Substantial Shareholder	No. of Shares (Direct interest)	%[1]	No. of Shares (Deemed interest)	%[1]
1. Astute Ventures Pte. Ltd. ("**Astute Ventures**")	270,025,455	26.18	–	–
2. FICA (Pte.) Ltd. ("**FICA**")[2]	230,653,636	22.36	–	–
3. Dr. Ong Hian Eng ("**Dr. Ong**")[2]	9,024,394	0.87	230,653,636	22.36
4. Ong Bee Kuan Melissa[3]	5,367,190	0.52	270,025,455	26.18
5. Luo Yong	62,277,900	6.04	–	–

Notes:

(1) Based on the issued share capital of 1,031,524,685 ordinary shares in the capital of the Company ("**Shares**") as at 28 March 2024.

(2) FICA is controlled by Dr. Ong and he is therefore deemed to be interested in the 230,653,636 Shares held by FICA.

(3) Ong Bee Kuan Melissa is entitled to exercise not less than 20% of the votes attached to the voting shares in the share capital of Astute Ventures. She is deemed to be interested in the 270,025,455 Shares held by Astute Ventures.

STATISTICS OF **SHAREHOLDINGS**
AS AT 28 MARCH 2024

Issued and fully paid-up capital	:	S$80,012,923.80
Number of ordinary shares in issue (excluding treasury shares and subsidiary holdings)	:	1,031,524,685
Number of treasury shares held	:	Nil
Number of subsidiary holdings	:	Nil
Class of shares	:	Ordinary
Voting rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	14	1.48	635	0.00
100 – 1,000	38	4.01	19,939	0.00
1,001–10,000	127	13.41	814,850	0.08
10,001 – 1,000,000	688	72.65	125,905,526	12.21
1,000,001 AND ABOVE	80	8.45	904,783,735	87.71
TOTAL	**947**	**100.00**	**1,031,524,685**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ASTUTE VENTURES PTE LTD	270,025,455	26.18
2	FICA (PTE) LTD	230,653,636	22.36
3	LUO YONG	62,277,900	6.04
4	WYY INVESTMENT HOLDINGS PTE LTD	44,985,861	4.36
5	ONG BEE PHENG (WANG MEIPING)	33,084,041	3.21
6	OCBC SECURITIES PRIVATE LIMITED	20,518,400	1.99
7	RAFFLES NOMINEES (PTE.) LIMITED	17,063,150	1.65
8	KOH LI HAN ERIC (XU LIHAN)	15,000,000	1.45
9	TAN YEW LIANG	14,800,000	1.43
10	UOB KAY HIAN PRIVATE LIMITED	13,812,300	1.34
11	ONG HIAN ENG	9,024,394	0.87
12	KONG SOU YAN	8,825,800	0.86
13	DBS NOMINEES (PRIVATE) LIMITED	7,259,000	0.70
14	SERENE WONG LAI LENG	6,700,000	0.65
15	PHILLIP SECURITIES PTE LTD	6,251,250	0.61
16	ONG ENG KEONG (WANG RONGKANG)	5,373,841	0.52
17	HSBC (SINGAPORE) NOMINEES PTE LTD	5,369,290	0.52
18	GOH KHENG SHEN	5,300,000	0.51
19	SOH HOCK LEONG	5,000,000	0.48
20	KOH BENG GUAN	4,000,000	0.39
	TOTAL	**785,324,318**	**76.12**

PUBLIC FLOAT

Based on the information available to the Company as at 28 March 2024, approximately 35.20% of the issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company is held by the public. Accordingly the Company has complied with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of AsiaPhos Limited (the "**Company**") will be held at 22 Kallang Avenue, #03-02 Hong Aik Industrial Building, Singapore 339413 on Tuesday, 30 April 2024 at 3.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the audited financial statements of the Company for the financial year ended 31 December 2023 together with the Auditor's Report.

   (Resolution 1)

2. To note that Dr Ong Hian Eng, will be retiring pursuant to Article 88 of the Constitution of the Company and he will not be seeking re-election at the AGM.

   [See Explanatory Note (i)]

3. To re-elect Mr Goh Yeow Tin, a Director retiring pursuant to Article 88 of the Constitution of the Company.

   (Resolution 2)

   [See Explanatory Note (ii)]

   Mr Goh Yeow Tin will, upon re-election as a Director of the Company, remain as the Chairman of the Board, Nominating and Remuneration Committees and a member of the Audit Committee. As Mr Goh Yeow Tin will re-designate from Independent and Non-Executive Chairman to Non-Independent and Non-Executive Chairman after the conclusion of the AGM, the Board considers Mr Goh Yeow Tin non-independent for the purposes of Rule 704(7) of the Catalist Rules.

4. To re-elect Mr Ong Eng Keong, a Director retiring pursuant to Article 87 of the Constitution of the Company.

   (Resolution 3)

   [See Explanatory Note (iii)]

   Mr Ong Eng Keong will, upon re-election as a Director of the Company, remain as Executive Director and assume the role as Chief Executive Officer and a member of the Nominating Committee (following Dr Ong's retirement) and will be considered non-independent.

5. To approve the payment of Directors' fees of up to S$180,000 for the financial year ending 31 December 2024, payable quarterly in arrears. (2023: S$108,000)

   (Resolution 4)

6. To re-appoint Foo Kon Tan LLP as the Auditor of the Company for the ensuing year and to authorise the Directors of the Company to fix its remuneration.

   (Resolution 5)

7. To transact any other ordinary business which may properly be transacted at an AGM.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

8. **Authority to issue ordinary shares in the capital of the Company and/or Instruments (as defined herein)**

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Directors be authorised and empowered to:

(a) (i) allot and issue ordinary shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution) to be issued pursuant to this Ordinary Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Ordinary Resolution) to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Ordinary Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercise of share options or vesting of share awards; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution.

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (iv)] **(Resolution 6)**

By Order of the Board

Ngiam May Ling
Company Secretary
Singapore,
15 April 2024

Explanatory Notes:

(i) Upon the retirement of Dr Ong Hian Eng as Chief Executive Officer and Executive Director of the Company at the conclusion of the AGM, Dr Ong Hian Eng will concurrently cease to be a member of the Nominating Committee.

(ii) Ordinary Resolution 2 is for the re-election of Mr Goh Yeow Tin, being Director of the Company who retire by rotation at the AGM. For more information on Mr Goh Yeow Tin, please refer to the sections entitled "Board of Directors" and "Additional Information on Directors seeking re-election pursuant to Rule 720(5) of the Catalist Rules and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules" in the Annual Report 2023. Mr Goh Yeow Tin will re-designate from Independent and Non-Executive Chairman to Non-Independent and Non-Executive Chairman after the conclusion of the AGM.

(iii) Ordinary Resolution 3 is for the re-election of Mr Ong Eng Keong, being Director of the Company who retire by rotation at the AGM. For more information on Mr Ong Eng Keong, please refer to the sections entitled "Board of Directors" and "Additional Information on Directors seeking re-election pursuant to Rule 720(5) of the Catalist Rules and Directors seeking shareholders' approval in respect of Rule 406(3)(d)(iii) of the Catalist Rules" in the Annual Report 2023.

(iv) The Ordinary Resolution 6, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards and any subsequent bonus issue, consolidation or subdivision of Shares. These adjustments are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The AGM will be held, in a wholly physical format, at the venue, date and time stated above. Members, including SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM in person. There will be no option for Members to participate virtually.

2. Printed copies of this notice of AGM, Proxy Form and Annual Report 2023 will be sent to Members by post. These documents will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Act.

   A Member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

4. A proxy need not be a Member of the Company. A Member may choose to appoint the Chairman of the AGM as his/her/its proxy.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manners:

   (a) if submitted personally or by post, be lodged at the registered office of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to cosec@asiaphos.com,

   and in either case, must be lodged or received (as the case may be) **by 3.30 p.m. on Sunday, 28 April 2024**, being not less than 48 hours before the time appointed for the holding of the AGM.

6. SRS investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective SRS Operators **by 3.30 p.m. on Thursday, 18 April 2024** to submit their votes.

7. Members, including SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be received **by 3.30 p.m. on Monday, 22 April 2024**, and be submitted in the following manner:

   (a) if submitted personally or by post, be lodged at the registered office of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to cosec@asiaphos.com.

NOTICE OF ANNUAL GENERAL MEETING

When submitting questions by post or via email, Members should also provide their following information for verification purposes:

(a) status: individual shareholder or corporate representative;

(b) full name/full company name (as per CDP/SRS records);

(c) NRIC/FIN/Passport No./UEN;

(d) electronic mail address;

(e) contact number (optional);

(f) address; and

(g) the manner in which the shareholder holds shares in the Company (e.g., via CDP, SRS).

8. The Company will address all substantial and relevant questions received from Members by 22 April 2024 submission deadline by publishing the responses to such questions on the SGX website at the URL https://www.sgx.com/securities/company-announcements **after the close of market on Thursday, 25 April 2024**. If questions or follow-up questions are submitted after the 22 April 2024 deadline, the Company will endeavour to address these questions at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

9. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

10. Members, including SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This Notice has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

The contact person for the Sponsor is Mr. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271

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ASIAPHOS LIMITED
(Company Registration No. 201200335G)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. The Annual General Meeting will be held, in a wholly physical format, at the venue, date and time stated below. There will be no option for members to participate virtually. The Proxy Form will be made available to members via printed copy as well as electronically via the SGX website.
2. This Proxy Form is for use by members wishing to appoint a proxy(ies) for the Annual General Meeting. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. This Proxy Form Is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors:
   (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective SRS Operators by 3.30 p.m. on Thursday, 18 April 2024 to submit their votes.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2024.

I/We (Name) ______________________________ (NRIC/FIN/Passport No./UEN) ______________

of (Address) ____
being a member/members of AsiaPhos Limited (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or (delete as appropriate)*

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

as my/our proxy(ies) to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 22 Kallang Avenue, #03-02 Hong Aik Industrial Building, Singapore 339413, on Tuesday, 30 April 2024 at 3.30 p.m. (the "**Meeting**" or "**AGM**"), and at any adjournment thereof. I/We direct my/our proxy(ies) to vote for or against, or to abstain from voting on, the resolutions to be proposed at the Meeting as indicated hereunder.

No.	**Resolutions Relating to:**	**For***	**Against***	**Abstain***
As Ordinary Business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2	Re-election of Mr Goh Yeow Tin as a Director of the Company			
3	Re-election of Mr Ong Eng Keong as a Director of the Company			
4	Approval of Directors' fees of up to S$180,000 for the financial year ending 31 December 2024, payable quarterly in arrears			
5	Re-appointment of Foo Kon Tan LLP as the Auditor of the Company			
As Special Business				
6	Authority to issue ordinary shares in the capital of the Company and/or instruments			

* Voting will be conducted by poll. If you wish your proxy(ies) to cast all your votes "For" or "Against" a resolution, please tick (√) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy(ies) to abstain from voting on a resolution, please tick (√) within the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy(ies) is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In any other case, the proxy(ies) may vote or abstain as the proxy(ies) deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Meeting.

Dated this __________ day of ________________ 2024

Total Number of Shares in:	**Number of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

2. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

3. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by the member.

4. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy(ies) shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person(s) appointed under the instrument of proxy, to the Meeting.

5. The instrument appointing a proxy(ies) must be submitted in the following manner:

   (a) if submitted personally or by post, be lodged at the registered office of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to cosec@asiaphos.com,

   and in either case, must be lodged or received (as the case may be) by 3.30 p.m. on Sunday, 28 April 2024, being not less than 48 hours before the time appointed for the holding of the AGM.

   Members who wish to appoint a proxy(ies) can use the printed copy of the Proxy Form (which was sent by post to them), by completing and signing the Proxy Form before submitting it by post to the address provided above or, alternatively, scanning and submitting it via email to the email address provided above.

6. The instrument appointing a proxy or proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or a duly authorised officer.

7. Where the instrument appointing a proxy or proxy(ies) is signed on behalf of the appointor by an attorney, the power of attorney (or other authority under which it is signed, if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument, or if the instrument is submitted electronically via email, be emailed together with the instrument, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted, if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for the holding of the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

ASIAPHOS LIMITED
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