

**PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF MMJV PTE. LTD. BY ASIAPHOS LIMITED:**

- **TERMINATION OF THE SALE AND PURCHASE AGREEMENT IN RELATION TO THE SAID PROPOSED ACQUISITION**

**1. INTRODUCTION**

- 1.1 The board of directors (the “**Board**”, and each director, a “**Director**”) of AsiaPhos Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 13 November 2020 (the “**Announcement**”) in relation to, *inter alia*, the Company’s entry into a sale and purchase agreement (the “**SPA**”) with Mining and Minerals Industries Holding Pte. Ltd. (the “**Vendor**”, and together with the Company, the “**Parties**”) to acquire the entire issued and paid-up share capital of MMJV Pte. Ltd. (the “**Target Company**”) (the “**Proposed Acquisition**”).
- 1.2 Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed in the Announcement.
- 1.3 The Board wishes to announce that the Company has, on 6 April 2021, issued a termination notice to the Vendor (the “**Termination Notice**”) to terminate the SPA with immediate effect in accordance with the terms and on the conditions of the SPA (the “**Termination**”).

**2. TERMINATION OF THE SPA**

**2.1 Background**

- 2.1.1 The sale and purchase of the Sale Shares is conditional upon the satisfaction of the conditions precedent on or before 12 November 2021 (or such other date mutually agreed in writing) at the latest or three (3) months from the date on which the Proposed Whitewash Resolution is approved, whichever is earlier (“**Long Stop Date**”).
- 2.1.2 Pursuant to Clauses 5.2(v) and 6.1(i)(f) of the SPA, it is a condition precedent to completion of the Proposed Acquisition that a fund-raising exercise be completed or otherwise procured by the Vendor on the terms and subject to the conditions of the SPA (the “**Fund-raising Exercise**”). It is also a condition precedent that at least S\$2.8 million of the proceeds from the Fund-raising Exercise would go towards discharging the Material Debts of the Group such sums being maintained as cash or cash equivalent.

**2.2 Rationale for the Termination**

- 2.2.1 On or about 17 March 2021, the Vendor informed the Company that it has discontinued negotiations with a group of investors but was trying to get funding from alternative sources. On 19 March 2021, the Company then requested for information from the Vendor about the funding commitments it has received and asked for documents to be furnished to provide assurance that the Vendor would be able to complete the Proposed Transactions by the Long Stop Date.

- 2.2.2 In view of the foregoing, the Parties held further discussions to discuss the Company's concerns on, *inter alia*, the progress of the matters described in paragraph 2.2.1 above. Pursuant to these discussions, the Company understands that the Vendor will require additional time to find other investors to raise the necessary funds for the Fund-raising Exercise and fulfil its obligations under the SPA which are also conditions precedent to Completion. However, due to the ongoing Covid-19 pandemic and travel restrictions, the Company believes that it will not be possible to complete the sale and purchase of the Sale Shares by or before the Long Stop Date, given that there will not be sufficient time to hold the kick-off meeting to commence the necessary steps, including but not limited to the due diligence exercise and the pre-clearance with the SGX-ST, to carry out and complete the Proposed Transactions. As such, the Company is of the opinion that it would be in the best interests of all Parties that the SPA be terminated.
- 2.2.3 Pursuant to Clause 9.1(iv) of the SPA, each of the Parties may by notice in writing to the other Party given at any time on or prior to Completion, terminate the SPA if any of the Proposed Transactions is terminated or cannot be proceeded with for any other reason. Accordingly, the Company has issued the Termination Notice to terminate the SPA with immediate effect in accordance with the terms and on the conditions of the SPA. Pursuant to Clause 9.2 of the SPA, upon the Termination Notice being given in accordance with Clause 9.1 of the SPA, (i) the SPA shall terminate and cease to have any further force or effect, other than Clause 9.2, the relevant surviving provisions and any other clauses as expressly provided in the SPA, and (ii) each Party shall cease to have further rights or obligations under the SPA (save for any rights or liabilities which each Party may have accrued prior to such termination).

### **3. FINANCIAL IMPACT OF THE TERMINATION**

- 3.1 In view of the foregoing, in particular paragraph 2.2.3 of this announcement, the Termination is not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Group for the financial year ending 31 December 2021.
- 3.2 Following the Termination, the Company will continue to focus on its ongoing business activities in relation to the manufacturing, sale and trading of phosphate-based chemicals products such as P<sub>4</sub>, STPP and SHMP, and the sale of byproducts such as slag, sludge and ferrophosphate, and other phosphate chemicals. It will, at the same time, continue to source for other corporate, business, acquisition and financing opportunities as and when available and appropriate in order to enhance value for Shareholders

### **4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for their respective interests in the shares of the Company (if any) and as disclosed in the Announcement, none of the Directors, controlling shareholders or their associates have any interest, direct or indirect, in the Termination Notice.

### **5. CAUTIONARY STATEMENT**

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also asked to exercise caution when dealing in the shares of the Company and should consult their legal, financial, tax and other professional advisers if they have any doubt as to the action to take.

### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts of the Proposed Acquisition, the Proposed Transactions, the

SPA, the Termination and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **BY ORDER OF THE BOARD**

Dr. Ong Hian Eng  
Executive Director  
AsiaPhos Limited

7 April 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("Exchange") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

*This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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