ASIAPHOS LIMITED

Company Registration Number: 201200335G

UNAUDITED CONDENSED FINANCIAL STATEMENTS ANNOUNCEMENT FOR SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

This quarterly results announcement is mandatory, made pursuant to SGX-ST's requirements, as required under Rule 705(2C) of the Catalist Rules.

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

		Group					
		Second Quarter Ended 30 June			Half Year Ended 30 June		
		2023	2022	Change	2023	2022	Change
	Note	$'000	$'000	%	$'000	$'000	%
Continuing operations							
Revenue	E4	485	547	(11)	1,069	1,279	(16)
Cost of sales		(447)	(468)	(4)	(889)	(1,110)	(20)
Gross profit		38	79	(52)	180	169	7
Other income		373	511	(27)	420	517	(19)
Selling and distribution costs		(33)	(20)	65	(75)	(55)	36
General and administrative costs		(330)	(725)	(54)	(1,076)	(1,527)	(30)
Finance costs		(1)	(71)	(99)	(53)	(139)	(62)
Other expenses		(13)	(8)	63	(13)	(8)	63
Profit/(loss) before tax, from continuing operations		34	(234)	N.M.	(617)	(1,043)	(41)
Taxation	E6	-	-	N.M.	-	-	N.M.
Profit/(loss) from continuing operations, net of tax		34	(234)	N.M.	(617)	(1,043)	(41)
Discontinued operation							
Profit/(loss) from discontinued operation, net of tax	E9	240	33	632	233	67	248
Profit/(loss) for the period		274	(201)	N.M.	(384)	(976)	(61)
Other comprehensive income							
Items that may not be recycled to profit or loss							
Foreign currency translation gain/(loss)		(295)	(585)	(50)	(164)	(433)	(62)
Total comprehensive profit/(loss) for the period		(21)	(786)	(97)	(548)	(1,409)	(61)
Net profit/(loss) for the period attributable to:							
Owners of the Company							
- Continuing operations, net of tax		34	(228)	N.M.	(617)	(1,028)	(40)
- Discontinued operation, net of tax		240	34	611	233	67	248
		274	(194)	N.M.	(384)	(961)	(60)
Total comprehensive profit/(loss) for the period attributable to:							
Owners of the Company		(30)	(789)	(96)	(554)	(1,404)	(61)
Non-controlling interest		9	3	260	6	(5)	N.M.
Total comprehensive profit/(loss) for the period		(21)	(786)	(97)	(548)	(1,409)	(61)
Attributable to owners of the Company							
Total comprehensive profit/(loss) for the year from							
- Continuing operations, net of tax		(270)	(823)	(67)	(787)	(1,471)	(46)
- Discontinued operation, net of tax		240	34	611	233	67	248
Total comprehensive profit/(loss) for the period attributable to owners of the Company		(30)	(789)	(96)	(554)	(1,404)	(61)

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

	Group			
	Second Quarter Ended 30 June		Half Year Ended 30 June	
Earnings/(losses) per share	**2023**	**2022**	**2023**	**2022**
Earnings/(losses) per share for the year attributable to the owner of the Company:				
Basic earnings/(losses) per share (cents)				
- from continuing operations	0.00	(0.02)	(0.06)	(0.10)
- from discontinued operations	0.02	0.00	0.02	0.01
	0.02	(0.02)	(0.04)	(0.09)
Diluted earnings/(losses) per share (cents)				
- from continuing operations	0.00	(0.02)	(0.06)	(0.10)
- from discontinued operations	0.02	0.00	0.02	0.01
	0.02	(0.02)	(0.04)	(0.09)

N.M. - Not Meaningful

Foreign currency translation gains/(losses) represent exchange differences arising from the translation of the financial statements of the PRC subsidiaries whose functional currency (Renminbi, "**RMB**") is different from that of the Group's presentation currency (Singapore Dollar, "**SGD**", "**$**"). The Group's net investment in PRC is not hedged as the currency positions in RMB are considered to be long-term in nature. Such translation gains/(losses) are unrealised in nature and do not impact the current year profit/(loss) unless the underlying assets or liabilities of the PRC subsidiaries are disposed of.

In the second quarter ended 30 June 2023 ("**2Q2023**"), the Group recorded a translation loss of $0.30 million in other comprehensive income due to exchange rate fluctuations.

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

The Group's net profit/(loss) for the period was arrived at after (charging)/crediting the following:

	Group					
	Second Quarter Ended 30 June			Half Year Ended 30 June		
	2023	2022	Change	2023	2022	Change
	$'000	$'000	%	$'000	$'000	%
Interest income						
- continuing operations	1	-	N.M.	1	2	(50)
- discontinued operations	-	44	(100)	-	91	(100)
Government grants #	-	3	(100)	-	7	(100)
Interest expenses						
- continuing operations	(1)	(71)	(99)	(53)	(139)	(62)
- discontinued operations	(62)	(36)	72	(69)	(70)	(1)
Write-off of inventories						
- continuing operations	(13)	-	N.M.	(13)	-	N.M.
Amortisation and depreciation						
- continuing operations *	(2)	(73)	(97)	(62)	(147)	(58)
Foreign exchange gain #	330	525	(37)	377	508	(26)

N.M. - Not Meaningful

* - Included in general and administrative costs

\# - Included in other income

B. Condensed interim statements of financial position

		Group		Company	
		As at		As at	
	Note	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Right-of-use assets	E7	-	1,295	-	-
Property, plant and equipment	E8	29	8,983	-	-
Other receivables and prepayments		8	8	-	-
Investment in subsidiaries		-	-	9,400	9,400
		37	10,286	9,400	9,400
Current assets					
Inventories		22	223	-	-
Trade receivables	E5	117	72	55	72
Other receivables and prepayments	E5	978	636	383	78
Amount due from subsidiary		-	-	754	-
Cash and bank balances		1,367	757	87	81
		2,484	1,688	1,279	231
Assets of disposal group	E9	-	-	-	-
Non-current assets classified as held for sale	E10	15,527	5,805	-	-
		18,011	7,493	1,279	231
Total Assets		**18,048**	**17,779**	**10,679**	**9,631**
EQUITY					
Share capital	E13	78,283	78,283	78,283	78,283
Reserves	D	(77,946)	(77,392)	(73,071)	(74,627)
Equity attributable to owners of the Company		337	891	5,212	3,656
Non-controlling interest		(2,531)	(2,538)	-	-
Total equity		(2,194)	(1,647)	5,212	3,656
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities		999	1,117	-	-
Deferred income		1,817	1,869	-	-
Provision for reinstatement cost		27	27	-	-
Lease liability	E5	68	81	-	-
		2,911	3,094	-	-
Current liabilities					
Trade payables	E5	49	244	-	-
Other payables	E5	9,060	9,136	152	305
Deferred income		1,945	-	-	-
Contract liabilities		143	303	-	-
Interest-bearing bank loans	E11	3,508	3,610	-	-
Loan due to a director	E5	1,147	1,792	1,106	1,751
Loan due to a controlling shareholder	E5	710	456	710	456
Lease liability	E5	27	27	-	-
Amounts due to subsidiaries		-	-	3,499	3,463
		16,589	15,568	5,467	5,975
Liabilities of disposal group	E9	742	764	-	-
		17,331	16,332	5,467	5,975
Total Liabilities		20,242	19,426	5,467	5,975
Total Equity and Liabilities		**18,048**	**17,779**	**10,679**	**9,631**

C. Condensed interim consolidated statement of cash flows

	Note	Group			
		Second Quarter Ended 30 June		Half Year Ended 30 June	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Cash flows from operating activities :					
Profit/(Loss) before taxation from					
- continuing operations		34	(234)	(617)	(1,043)
- discontinued operations		240	33	233	67
Profit/Loss before taxation		274	(201)	(384)	(976)
Adjustments for :					
Depreciation and amortisation expenses		2	73	62	147
Write-back of provision		(165)	-	(165)	-
Write-off of inventories		13	-	13	-
Interest expense		63	107	122	209
Interest income		(1)	(44)	(1)	(93)
Rental income		(302)	-	(302)	-
Unrealised exchange (gain)/loss		(140)	(24)	(180)	(14)
Operating gain/(loss) before working capital changes		(256)	(89)	(835)	(727)
(Increase)/decrease in inventories		62	(62)	188	47
(Increase)/decrease in trade and other receivables		(239)	(209)	(471)	(269)
Increase/(decrease) in trade and other payables		(382)	(211)	(39)	(363)
Cash generated from/(used in) operations		(815)	(571)	(1,157)	(1,312)
Bank interest received		1	-	1	2
Tax paid		-	-	-	-
Net cash flows generated from/(used in) operating activities		(814)	(571)	(1,156)	(1,310)
Cash flows from investing activities :					
Payments for property, plant and equipment		-	-	(1)	-
Deposit and rent received on lease of P4 plant		1,528	-	2,305	-
Net cash flows generated from/(used in) in investing activities		1,528	-	2,304	-
Cash flows from financing activities :					
Repayment of bank loan		-	-	-	(2,129)
Proceeds from bank loan		-	-	-	2,129
(Increase)/decrease in pledged deposits		63	113	121	74
Payments of lease liability		(7)	(7)	(13)	(13)
Interest paid		(65)	(107)	(124)	(209)
Loan from a controlling shareholder		-	-	255	-
Repayment of loan from a director		(1,000)	-	(645)	-
Net cash flows generated from/(used in) financing activities		(1,009)	(1)	(406)	(148)
Net increase/(decrease) in cash and cash equivalents		(295)	(572)	742	(1,458)
Cash and cash equivalents at beginning of period		1,309	1,410	271	2,297
Effects of exchange rate changes on cash and cash equivalents		(4)	(29)	(3)	(30)
Cash and cash equivalents at end of period	C1	1,010	809	1,010	809

C. Condensed interim consolidated statement of cash flows (cont'd)

Note C1:

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude the following:

		Group	
		As at 30 June	
		2023	2022
		$'000	$'000
Cash and bank balances		1,367	1,292
Less: pledged deposits for bank loans		(157)	(265)
Less: restricted use of mining deposits		(200)	(218)
Cash and cash equivalents at end of period		1,010	809

The pledged deposits relate to amounts held in a specific bank account and earmarked for the payment of bank loan interests.

Mining deposits relate to amounts held in specific bank accounts the use of which is restricted until the rehabilitation of the Group's mines is completed.

D. Condensed interim statements of changes in equity

The Group	Share capital	Merger reserve	Accumulated losses	Foreign currency translation reserve	Safety fund surplus reserve	Total attributable to owners of the Company	Non-controlling interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2023								
Balance at 1 January 2023	78,283	850	(80,689)	897	1,550	891	(2,538)	(1,647)
Total comprehensive profit/(loss) for the period	-	-	(658)	134	-	(524)	7	(517)
Balance at 31 March 2023	78,283	850	(81,347)	1,031	1,550	367	(2,531)	(2,164)
Total comprehensive profit/(loss) for the period	-	-	274	(304)	-	(30)	-	(30)
Balance at 30 June 2023	78,283	850	(81,073)	727	1,550	337	(2,531)	(2,194)
2022								
Balance at 1 January 2022	78,283	850	(79,099)	1,811	1,550	3,395	(2,537)	858
Total comprehensive profit/(loss) for the period	-	-	(767)	152	-	(615)	(8)	(623)
Balance at 31 March 2022	78,283	850	(79,866)	1,963	1,550	2,780	(2,545)	235
Total comprehensive profit/(loss) for the period	-	-	(194)	(595)	-	(789)	3	(786)
Balance at 30 June 2022	78,283	850	(80,060)	1,368	1,550	1,991	(2,542)	(551)
Total comprehensive profit/(loss) for the period	-	-	(207)	(122)	-	(329)	(6)	(335)
Balance at 30 September 2022	78,283	850	(80,267)	1,246	1,550	1,662	(2,548)	(886)
Total comprehensive profit/(loss) for the period	-	-	(422)	(349)	-	(771)	10	(761)
Balance at 31 December 2022	78,283	850	(80,689)	897	1,550	891	(2,538)	(1,647)

D. Condensed interim statements of changes in equity (cont'd)

The Company	Share capital	Accumulated losses	Total equity
	$'000	$'000	$'000
2023			
Balance at 1 January 2023	78,283	(74,627)	3,656
Total comprehensive profit/(loss) for the period	-	(505)	(505)
Balance at 31 March 2023	78,283	(75,132)	3,151
Total comprehensive profit/(loss) for the period	-	2,061	2,061
Balance at 30 June 2023	78,283	(73,071)	5,212
2022			
Balance at 1 January 2022	78,283	(73,793)	4,490
Total comprehensive profit/(loss) for the period	-	(216)	(216)
Balance at 31 March 2022	78,283	(74,009)	4,274
Total comprehensive profit/(loss) for the period	-	(309)	(309)
Balance at 30 June 2022	78,283	(74,318)	3,965
Total comprehensive profit/(loss) for the period	-	(149)	(149)
Balance at 30 September 2022	78,283	(74,467)	3,816
Total comprehensive profit/(loss) for the period	-	(160)	(160)
Balance at 31 December 2022	78,283	(74,627)	3,656

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim financial statements comprised those of the Company and its subsidiaries (collectively the "Group").

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 exploration, mining, production and sale of phosphate rocks and chemical products, the Group's continuing activities comprised only that of the trading of phosphate chemical products and commodity products. Accordingly, the Group has included the trading of commodity products as another segment of its reportable operating activities.

2. Basis of preparation

The condensed interim financial statements for the financial period ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below. These financial statements are presented in Singapore Dollars which is the Company's functional currency and rounded to the nearest thousand ($'000) unless otherwise stated.

2. Basis of preparation (cont'd)

Going concern

The Group incurred a net loss after tax of $0.38 million in 1H2023 (1H2022: $0.98 million) and net cash generated used in operating activities of $1.16 million in 1H2023 (1H2022: $1.31 million), respectively. Excluding the assets and liabilities of the disposal group, the Group's current liabilities exceeded its current assets by $14.11 million as at 30 June 2023 (31 December 2022: $13.88 million). The Company has accumulated losses of $73.07 million as at 30 June 2023 (31 December 2022: $74.63 million) and has a net current liability of $4.19 million as at 30 June 2023 (31 December 2022: $5.74 million). 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.

The Board has taken into consideration the Group's plans and confirms that the Group will be able to operate as a going concern. The basis of the Board's opinion is as follows:

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

(b) As announced on 22 March 2023, a wholly owned subsidiary, Sichuan Mianzhu Norwest Phosphate Co., Ltd ("SMNPC") had entered into a Cooperation Agreement with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda") in connection with, *inter alia*, the lease of the P4 plant owned by SMNPC to Rongda for the period of one year (the "Proposed Lease"). In connection therewith, SMNPC received a non-refundable deposit of RMB4.00 million (approximately $0.75 million) and a non-refundable lease payment of RMB8.00 million (approximately $1.49 million).

Pursuant to the terms and provisions of the Cooperation Agreement, SMNPC has the right to transfer the P4 plant including the corresponding liabilities into a newly incorporated company to be established ("New Company"). SMNPC has the right to sell and Rongda is obligated to purchase the entire equity interest in the New Company, in accordance with the terms and conditions in the Cooperation Agreement (the "Proposed Sale Option"). Upon the exercise of the Proposed Sale Option, the consideration to be received by SMNPC is RMB40.59 million (approximately $7.57 million). The Company's shareholders have approved the Proposed Lease, Proposed Sale Option, Proposed Disposal and Proposed Authorisation during the Extraordinary General Meeting held 29 April 2023. Please refer to the announcement dated 3 July 2023 for the latest update on this transaction. The Group will continue to ascertain Rongda's plans and ability to complete the transaction. It will also work on a contingency plan should Rongda eventually terminate the agreement.

(c) The Group does not have any external bank borrowings save for the bank loan from Bohai Bank amounting to RMB18.80 million (approximately $3.51 million) and which is secured against the P4 plant. Under the terms of the Cooperation Agreement, the Bohai bank loan including certain liabilities of SMNPC shall be transferred to the New Company before it is acquired by Rongda as described in the aforesaid note (b) or Rongda must either arrange for alternative financing or to settle the Bohai Bank Loan before the completion of the transaction.

2. Basis of preparation (cont'd)

(d) 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 expediate the process.

As at the date of this announcement 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.

(e) 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.

(f) The Group's majority shareholders (being Dr Ong and Astute Ventures) have provided undertakings that they will not demand repayment of the loans provided by them and will continue to provide financial support including the capitalisation of shareholders' loans and other loan restructuring as may be needed to ensure that the Group is able to operate as a going concern for the next 12 months from 4 April 2023 (being the date of the financial support undertaking letter).

(g) The Company is exploring potential fund raising.

(h) The Company and its wholly owned subsidiary, Norwest Chemicals Pte Ltd had on 18 August 2022 finalised its agreement with a US based Fund that will provide non-recourse funding in respect of the arbitration fees and costs for the international investment arbitration against the People's Republic of China.

(i) As announced on 21 February 2023, the Company received the arbitral tribunal's adverse ruling on its jurisdiction and the order to the Company to inter alia pay the sums of USD0.28 million and RMB6.35 million in legal costs to China. On 20 March 2023, a petition was filed to the Swiss Supreme Court to inter alia set aside the Tribunal's jurisdictional award and the legal costs awarded. Please refer to the Company's announcement dated 19 July 2023 regarding the status of the arbitration. Regardless of the results of the appeal, the proceeds from the lease of the P4 plant and the sale of the New Company as discussed under note (b) above should be sufficient to pay the legal costs to China.

The Board confirmed that, save for the confidentiality provision in the agreement with the US based Fund, all material disclosures, facts and information (including but not limited to disclosures pertaining to material operations and business of the Group and the going concern assumption) have been provided and announced for the trading of the Company's shares to continue and are not aware of any facts the omission of which would make any statement misleading. As a result, the financial statements of the Group and the Company have been prepared on a going concern basis.

2. Basis of preparation (cont'd)

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.

2.1. New and amended standards adopted by the Group

The Group has applied the same accounting policies for the current reporting period consistent with those of the previous financial year except for the adoption of new or revised standards that are effective for the financial year beginning on or after 1 January 2023. The adoption of these standards did not have a material impact on the financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last audited financial statements.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

	Note	Exploration, mining, production and sale of phosphate rocks and chemical products (Discontinued) Half Year Ended 30 June		Trading of phosphate chemical products (Continuing) Half Year Ended 30 June		Trading of non-chemical products (Continuing) Half Year Ended 30 June		Adjustments and eliminations Half Year Ended 30 June		Total Half Year Ended 30 June	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue - external	4a,b	-	-	850	1,008	219	271	-	-	1,069	1,279
The following items were added to/(deducted from) segment profit/(loss) to arrive at "Loss before tax, continuing operations" presented in the Consolidated statement of comprehensive income											
Depreciation and amortisation expenses		-	-	(62)	(147)	-	-	-	-	(62)	(147)
Interest income	4c	-	91	-	-	-	-	1	(89)	1	2
Rental income		302	46	-	-	-	-	(302)	(46)	-	-
Write-off of inventories		-	-	(13)	-	-	-	-	-	(13)	-
Interest expense		(69)	(70)	(53)	(139)	-	-	69	70	(53)	(139)
Segment profit/(loss) before tax		233	67	5	(162)	47	46	(902)	(994)	(617)	(1,043)

Note:
4a – There was no inter-segment revenue. Revenue from continuing operations represented invoiced trading sales of chemical and non-chemical products, recognised at a point in time.

4b – The amounts relating to the exploration, mining, production and sale of phosphate rocks and chemical products have been excluded to arrive at the amounts shown in the profit or loss as they are presented separately in the Statement of Comprehensive Income within one line item, "Profit/(Loss) from discontinued operation, net of tax".

4c – Adjustments related to unallocated corporate income and expenses.

Geographical information

Revenue information based on the geographical location of customers and non-current assets are as follows:

	Group			
	Revenue		Non-current assets	
	Half Year Ended 30 June		As at 30 June	As at 31 December
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
People's Republic of China	-	-	1	10,253
India	619	710	-	-
Ireland	219	271	-	-
Japan	-	72	-	-
Malaysia	127	65	-	-
Singapore	-	-	36	33
Others	104	161	-	-
	1,069	1,279	37	10,286

Information about major customers

	Group			
	Half Year Ended 30 June		Half Year Ended 30 June	
	2023		2022	
	$'000	% of revenue	$'000	% of revenue
Revenue				
Customer A	619	58%	710	56%
Customer B	219	21%	271	21%
Customer C	127	12%	98	8%

4. Segment and revenue information (cont'd)

Information about products

	Group	
	Half Year Ended 30 June	
	2023	2022
	$'000	$'000
Sodium Trimetaphosphate (STMP)	747	1,008
Sodium Hexametaphosphate (SHMP)	103	-
Commodity product	219	271
Revenue from continuing operations	1,069	1,279

5. Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category at the reporting date are as follows:

		Group		Company	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
	Note	$'000	$'000	$'000	$'000
Financial assets at amortised cost					
Other receivables	5a	473	24	336	24
Trade receivables		117	72	55	72
Cash and bank balances		1,367	757	87	81
		1,957	853	478	177
Financial liabilities at amortised cost					
Trade and other payables	5b	3,231	3,332	152	305
Interest-bearing bank loan		3,508	3,610	-	-
Loan due to a director		1,147	1,792	1,106	1,751
Loan due to a controlling shareholder		710	456	710	456
Lease liability		95	108	-	-
Amounts due to subsidiaries		-	-	3,499	3,463
		8,691	9,298	5,467	5,975

5. Financial assets and financial liabilities (cont'd)

Note 5a:

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	$'000	$'000	$'000	$'000
Other receivables and prepayments	978	636	383	78
Less: Prepayments	(505)	(612)	(47)	(54)
Other receivables	473	24	336	24

Note 5b:

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	$'000	$'000	$'000	$'000
Trade payables	49	244	-	-
Other payables	9,060	9,136	152	305
	9,109	9,380	152	305
Less: Advance payments received on disposal of Phase 2 Factory Assets	(5,878)	(6,048)	-	-
	3,231	3,332	152	305

6. Taxation

There was no tax for the period as the Group did not have taxable profit.

At the reporting date, the Group has not recognised deferred tax assets in respect of unutilised tax losses due to the uncertainty surrounding whether future taxable profits will be available against which the Group can utilise the benefit.

7. 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
Currency realignment	26	-	26
Reclassified to non-current assets classified as held for sale	(1,686)	-	(1,686)
At 30 June 2023	**-**	**190**	**190**
Accumulated depreciation and impairment losses			
At 1 January 2022	371	190	561
Depreciation	36	-	36
Currency realignment	(42)	-	(42)
At 31 December 2022	365	190	555
Depreciation	7		7
Currency realignment	6		6
Reclassified to non-current assets classified as held for sale	(378)	-	(378)
At 30 June 2023	**-**	**190**	**190**
Net carrying amount			
At 30 June 2023	**-**	**-**	**-**
At 31 December 2022	1,295	-	1,295

Land use rights relate to a plot of leasehold land located in Sichuan Province, PRC on which the Elemental phosphorus (“P4”) plant is sited. The land use rights are for a tenure of approximately 50 years with effect from December 2011.

Pursuant to the Cooperation Agreement signed with Rongda in relation to the disposal of the P4 plant, the land use rights with carrying value of $1.31 million were reclassified to non-current assets held for sale. As at the respective period ends, the land use rights were pledged to secure the interest-bearing bank loan of the Group.

Depreciation of right-of-use assets is recognised in the “General and administrative costs” in the consolidated statement of comprehensive income.

8. Property, plant and equipment

	Buildings	Leasehold improvements	Plant and machinery	Motor vehicles and office equipment	Construction-in-progress	Total
The Group	$'000	$'000	$'000	$'000	$'000	$'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	-	-	-	1	-	1
Currency realignment	113	(4)	212	4	2	327
Reclassified to non-current assets classified as held for sale	(7,354)	(130)	(13,784)	(204)	(107)	(21,579)
At 30 June 2023	**-**	**278**	**-**	**629**	**-**	**907**
Accumulated depreciation and impairment losses						
At 1 January 2022	5,427	394	7,528	794	117	14,260
Depreciation	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	45	2	4	2	-	53
Currency realignment	80	(4)	106	(5)	2	179
Reclassified to non-current assets classified as held for sale	(5,262)	(130)	(6,876)	(154)	(107)	(12,529)
At 30 June 2023	**-**	**253**	**-**	**625**	**-**	**878**
Net carrying amount						
At 30 June 2023	**-**	**25**	**-**	**4**	**-**	**29**
At 31 December 2022	2,104	27	6,806	46	-	8,983

During the financial period ended 30 June 2023, the Group acquired assets at cost of $1,000 (30 June 2022: $Nil) and disposed of assets with net book value of $Nil (30 June 2022: $Nil).

Pursuant to the Cooperation Agreement signed with Rongda in relation to the disposal of the P4 plant, property, plant and equipment with carrying value of $9.05 million were reclassified to non-current assets held for sale.

9. Disposal group and discontinued operation

Assets and liabilities of disposal group

The assets and liabilities of the disposal group relate to the exploration license of Deyang Fengtai Mining Co., Ltd. ("Fengtai Mine") and SMNPC's Mine 1 and 2 mining and exploration licenses (collectively, the "Mining Assets") that are the subject of the Group's dispute with the government of the People's Republic of China (the "Chinese Government"). Please refer to the Company's announcement dated 19 July 2023 regarding the status of the arbitration.

As at 30 June 2023, the Mining Assets have been fully impaired.

Results of discontinued operation

Discontinued operations consist of the activities related to the disposal group and non-current assets classified as held for sale (Note 10).

The results of discontinued operation for the financial periods ended 30 June 2023 and 2022 are as follows:

	Discontinued operations			
	Second Quarter Ended 30 June		**Half Year Ended 30 June**	
The Group	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Profit or loss				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	302	69	302	137
Finance costs	(62)	(36)	(69)	(70)
Profit/(loss) before tax	240	33	233	67
Tax credit	-	-	-	-
Profit/(loss), net of tax	240	33	233	67

9. Disposal group and discontinued operation (cont'd)

The cash flows attributed to discontinued operation for the financial years ended 30 June 2023 and 2022 are as follows:

Discontinued Operations		Group			
		Second Quarter Ended 30 June		Half Year Ended 30 June	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Cash flows from operating activities :					
Profit before taxation		240	33	233	67
Adjustments for :					
Interest expense		62	36	69	70
Other income		(302)	(69)	(302)	(137)
Net cash flows generated from/(used in) operating activities		-	-	-	-
Cash flows from investing activities :					
Deposit related to the lease of P4 Plant		-	-	777	-
Rental related to the lease of P4 Plant		1,528	-	1,528	-
Rental related to the lease of Phase 2 Factory Assets		-	-	-	70
Net cash flows generated from/(used in) in investing activities		1,528	-	2,305	70
Cash flows from financing activities :					
Net (increase)/decrease in pledged deposits		62	36	69	70
Interest paid		(62)	(36)	(69)	(70)
Net cash flows generated from/(used in) financing activities		-	-	-	-

10. Non-current assets classified as held for sale

Non-current assets classified as held for sale comprised of the carrying value of the Phase 2 Factory Assets and the P4 plant.

As announced on 22 March 2023, SMNPC had entered into a Cooperation Agreement with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda") in connection with, *inter alia*, the temporary lease of the P4 plant and the Proposed Sale Option of the P4 plant to Rongda. Accordingly, the carrying value of the land use rights and property, plant and equipment relating to the P4 plant of $1.31 million and $9.05 million respectively, were reclassified from "Right-of-use assets" and "Property, plant and equipment" to "Non-current assets classified as held for sale".

The summary of the assets that have been classified as held for sale are as follows:

The Group	**$'000**
Land use rights	
At at 31 December 2022	2,406
Reclassified from right-of-use assets	1,307
Currency realignment	(123)
At 30 June 2023	3,590
Property, plant and equipment	
At at 31 December 2022	3,399
Reclassified from right-of-use assets	9,050
Currency realignment	(512)
At 30 June 2023	11,937
Total	
At 30 June 2023	**15,527**
At 31 December 2022	5,805

11. Interest-bearing bank loan

	Group			
	30 June 2023		31 December 2022	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable				
In one year or less, or on demand	3,508	-	3,610	-
After one year	-	-	-	-
	3,508	-	3,610	-

As at 30 June 2023, the interest-bearing bank loan is secured by:

(i) land use rights with a carrying value of $1.25 million (RMB6.71 million) (31 December 2022: $1.29 million (RMB6.72 million));

(ii) various Elemental phosphorus ("P4") property, plant and equipment with a carrying value of $8.66 million (RMB46.41 million) (31 December 2022: $8.95 million (RMB46.61 million)); and

(iii) a corporate guarantee of $3.55 million (RMB19.00 million) (31 December 2022: $3.65 million (RMB19.00 million)) by the Company.

12. Contingent liabilities

On 16 February 2023, the International Arbitration Tribunal ("the Tribunal") made an adverse ruling on the international arbitration against the Chinese government. The Tribunal also ordered the Group to reimburse China the sums of USD0.28 million and RMB6.35 million, which amount to approximately $1.61 million, in China's legal costs related to the arbitration. The said legal costs are subject to post-award interest of 8% p.a., starting from the 90th day following the date of dispatch of the award (i.e. 16 February 2023).

On 20 March 2023, the Company filed a petition to the Swiss Supreme Court seeking to, inter alia, set aside the Tribunal's jurisdictional award and the legal costs awarded. Based on the opinion of its legal counsel, the Company is of the view that the likelihood of success of the petition to the Swiss Supreme Court is plausible. Accordingly, no provision has been made for these costs and the corresponding interest in this set of financial statements.

13. Share capital

	The Group and the Company			
	30 June 2023		31 December 2022	
	Number of shares		Number of shares	
	'000	$'000	'000	$'000
Ordinary shares issued and fully paid, with no par value:				
Balance	1,031,525	78,283	1,031,525	78,283

14. Related party transactions

Except as disclosed in note 13 of Section F in this announcement, there were no other related party transactions.

15. Reclassification of comparative period condensed financial statements

Certain comparatives figures in the Condensed interim consolidated statement of profit or loss have been reclassified to conform with the current period presentation.

		Half Year Ended 30 June 2022	
The Group	Note	**As previously announced**	**As reclassified**
Continuing operations		**$'000**	**$'000**
Other income	15a	9	517
General and administrative costs	15a,b	(1,015)	(1,527)
Finance costs	15b	(143)	(139)

Note 15:
(a) Foreign exchange gain of $508,000 was reclassified from General and administrative costs to Other income.

(b) Bank administrative charges of $4,000 were reclassified from Finance costs to General and administrative costs.

16. Events occurring after the reporting period

There are no known subsequent events which will result in adjustments to this set of interim financial statements.

F. Other information required by Appendix 7C of the Catalist Rules

1(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 30 June 2023 and 31 March 2023, the number of issued ordinary shares of the Company ("**Shares**") (excluding treasury shares) was 1,031,524,685.

There were no outstanding convertibles as at 30 June 2023 and 30 June 2022.

As at 30 June 2023 and 30 June 2022, the Company did not hold any treasury shares and there were no subsidiary holdings.

1(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	30 June 2023	**31 December 2022**
Total number of issued shares (excluding treasury shares)	**1,031,524,685**	**1,031,524,685**

1(iii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable. The figures have not been audited nor reviewed by the auditors.

3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The latest audited financial statements for the financial year ended 31 December 2022 were subjected to a disclaimer opinion by the independent auditor of the Company (the "Auditor"). The following matters were included in the said audit opinion:

i) **Going concern**

Update:

The Board has taken into consideration the Group's plans as disclosed under Section E Note 2 regarding the basis of the preparation of the financial statements of the Group and the Company as a going concern and is of the view that the Group and the Company are able to continue as a going concern.

ii) **Assets and liability of disposal group and discontinued operations**

Update:

The Management is of the view that the classification of the Mining Assets as assets and liabilities of the disposal group and its results as discontinued operations, is appropriate as the recoverability of the carrying amount of the Mining Assets, if any, will be principally through the ongoing legal process with the Chinese government, and not through continuing use.

Further, as an amicable settlement with the Chinese government is unlikely, the carrying value of the Mining Assets had been fully impaired during the year ended 31 December 2021.

iii) **Recoverable amount of property, plant and equipment, right-of-use ("ROU") assets and investment in subsidiaries**

Update:

Having considered the proposed transactions in the Cooperation Agreement with Rongda, the Management has determined that the fair value less cost of disposal of the P4 plant and ROU assets was higher than its carrying value. Accordingly, the Management is of the opinion that no provision for impairment loss on the P4 plant and ROU assets were required in the financial period ended 30 June 2023.

In assessing whether an impairment of the investment in subsidiaries is required, the carrying amounts of the investment in subsidiaries were compared against the recoverable amounts of these investments which were determined based on the adjusted net assets of the subsidiaries after considering the proposed transactions in the Cooperation Agreement with Rongda. Having considered these, the management is of the opinion that no provision for impairment loss on the investment in subsidiaries was required for the financial period ended 30 June 2023.

iv) **Trade and other payables**

Update:

The accrual in other payables was related to legal and professional fees related to the ongoing legal dispute with the Chinese government. The accrual had been written-back in the financial period ended 30 June 2023.

The Board confirms that the impact of the abovementioned audit issues on the financial statements of the Group has been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Paragraph 5, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited consolidated financial statements for the financial year ended 31 December 2022.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of Singapore Financial Reporting Standards (International) ("**INT SFRS(I)**") that are mandatory for the financial period beginning on 1 January 2023. The adoption of these new/revised SFRS(I), INT SFRS(I) and amendments to SFRS(I) has no material impact on the financial performance or position of the Group and the Company.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2023	2022	2023	2022
Profit/(loss) attributable to owners of the Company used in the computation of basic earnings per share ($'000)				
- from continuing operations	34	(228)	(617)	(1,028)
- from discontinued operations	240	34	233	67
	274	(194)	(384)	(961)
Weighted average number of ordinary shares for basic earnings/(losses) per share ('000)	1,031,525	1,031,525	1,031,525	1,031,525
Basic earnings/(losses) per share (cents)				
- from continuing operations	0.00	(0.02)	(0.06)	(0.10)
- from discontinued operations	0.02	0.00	0.02	0.01
	0.02	(0.02)	(0.04)	(0.09)

As at 30 June 2023 and 2022, there were no dilutive instruments.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group As at		The Company As at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset / (net liabilities) value ($'000)	(2,194)	(1,647)	5,212	3,656
Number of ordinary shares ('000)	1,031,525	1,031,525	1,031,525	1,031,525
Net asset / (net liabilities) value per ordinary share (cents)	(0.21)	(0.16)	0.51	0.35

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The figures in this section where applicable, have been rounded to the nearest two (2) decimal places.

Statement of Profit of Loss

A review of the performance of the Group in 2Q2023 and 1H2023 compared to the corresponding periods in 2022.

Revenue, cost of goods sold and gross profit

The Group recorded a lower trading revenue in 2Q2023 and 1H2023 as compared to 2Q2022 and 1H2022 respectively mainly due to a lower quantity of phosphate chemical and commodity products sold.

Cost of goods sold as a proportion of revenue in 2Q2023 relative to 2Q2022 increased mainly due to the product mix effect. Consequently, the Group recorded a lower gross profit of $0.04 million in 2Q2023, compared to $0.08 million in 2Q2022. After taking into account the better performance in 1Q2023 against 1Q2022, the Group recorded a higher gross profit of $0.18m in 1H2023, against $0.17m in 1H2022.

Other income

The decreases in other income in 2Q2023 and 1H2023 against 2Q2022 and 1H2022 respectively were mainly due to smaller foreign exchange gains recorded due to exchange rate fluctuations.

Selling and distribution costs

Selling and distribution costs increased in 2Q2023 and 1H2023 against 2Q2022 and 1H2022 respectively due to higher transportation costs.

General and administrative costs

The decreases in the general and administrative expenses in 2Q2023 and 1H2023 against 2Q2022 and 1H2022 respectively were attributed to reduced depreciation, amortisation and legal expenses.

Finance costs

Finance costs reduced in 2Q2023 and 1H2023 against 2Q2022 and 1H2022 respectively mainly due to savings on loan interest expenses following the settlement of bank loans in 4Q2022.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd).**

Other expenses

Other expenses increased in 2Q2023 and 1H2023 against 2Q2022 and 1H2022 respectively mainly because of a write-off of inventories damaged in a third-party owned warehouse fire in Tianjin.

The commentary above should be read in conjunction with the commentary included in our results announcement for 1Q2023 dated 9 May 2023. The smaller loss in 1H2023 compared to 1H2022 is mainly a result of lower general and administrative costs and finance costs incurred.

Statement of Financial Position

A review of the performance of the Group as at 30 June 2023 compared to 31 December 2022.

Non-current assets

The decrease in non-current assets was attributed to the reclassification of the land use rights and property, plant and equipment related to the P4 plant to non-current assets classified as held for sale in 1H2023.

Current assets

Inventory levels reduced due to the clearance of stocks during and after the Lunar New Year period, as well as a write-off of inventory damaged in a third-party owned warehouse fire in Tianjin.

The increase in trade receivables was attributed to a larger proportion of sales during the financial period ended 30 June 2023 occurring toward the end of the financial period, resulting in a temporary increase in the amounts owing from customers.

The increase in other receivables and prepayments was attributed mainly to a prepayment made for court fees relating to the appeal to the Swiss Supreme Court.

The increase in cash and cash equivalents is explained below in the commentary on the Statement of Cash Flows.

The increase in non-current assets classified as held for sale was due to the reclassification of land use rights and property, plant and equipment related to the P4 plant from non-current assets.

Non-current liabilities

As at 30 June 2022 and 31 December 2022, deferred income comprised of government grants received in relation to certain plant and equipment. The decrease was mainly due to the lower carrying value of the deferred income due to exchange rate fluctuations in 1H2023.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd).

Current liabilities

Other payables decreased mainly due to the write-back of a provision in 1H2023.

As at 30 June 2023, deferred income comprised of the non-refundable deposit and advanced rental received from Rongda in relation to the lease of the P4 plant.

Changes in the carrying value of the interest-bearing bank loan were mainly due to exchange rate fluctuations in 1H2023. As at 30 June 2023 and 31 December 2022, there was only one bank loan from Bohai Bank outstanding.

Liabilities of disposal group relate to provision for the cost of the rehabilitation of the mines. The lower carrying value was mainly due to exchange rate fluctuations in 1H2023.

Statement of Cash Flows

The Group reported a net cash outflow from its operating activities in 2Q2023 mainly due to payments made on legal fees and lower cash receipts from customers.

The Group generated cash from its investing activities in 2Q2023 because of the rental payment received from Rongda in relation to the lease of the P4 plant.

The Group reported a net cash outflow for its financing activities in 2Q2023 mainly due to the repayment of the loan from a director amounting to $1.00 million. Moreover, there were lower sums set aside in pledged deposits and lower interest amounts paid on bank loans in 2Q2023 compared to 2Q2022 due to the repayment of two interest-bearing bank loans in 4Q2022.

As a result of the above, there was a net increase in cash and bank balances of $0.61 million in 1H2023.

The commentary above should be read in conjunction with the commentary included in our results announcement for 1Q2023 dated 9 May 2023. The overall higher cash generated for 1H2023 compared to 1H2022 is mainly a result of the cash receipts from Rongda in 1H2023 less the repayment of the loan from a director.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the second quarter of 2023, China's economy grew at a notably slower pace of 0.8%, as compared to 2.2% in the first quarter of the year, evidencing a swift loss of the post-COVID momentum. Amidst other issues, the country struggled with low domestic and export demand, sinking property prices and high youth unemployment rates. Furthermore, the global economy continues to be in a precarious position, with slumping growth and political and environmental troubles in many parts of the world. All factors considered, analysts have revised China's growth forecast for 2023 downwards from 5.5% to 5%.

To mitigate the impact of the above on the Group's trading conditions, the Management will continue to grow the market and geographical base of its phosphate chemical products and seek out suitable and profitable corporate, business and financing opportunities to enhance shareholders' value.

As announced on 28 June 2023 and 3 July 2023, the maintenance work required for the restarting of the P4 plant has been affected by electricity supply issues. Rongda will continue to negotiate with the State Grid on the supply of power and the Management is looking at contingency plans. Further, the 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.

As disclosed under Notes 9 and 12 of Section E, the Group's investment dispute with the Chinese Government is under appeal to the Swiss Supreme Court. Please refer to the Company's announcement dated 19 July 2023 for the latest update. The Group will make the requisite announcements in accordance with the Catalist Listing Rules when there are material developments.

As announced on 13 April 2023, the Company is currently in discussions with a third party in connection with a possible cooperation to invest in a renewable energy business. This investment, if materialised, will allow the Company to diversify into new businesses or growth areas and supplement the Group's existing businesses.

11. Dividend

(a) Current Financial Period Reported On: Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year: Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Record date

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 June 2023 as the Company is not in the financial position to declare dividends.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders of the Company.

On 21 June 2013, Chief Executive Officer and Executive Director of the Company, Dr. Ong Hian Eng ("**Dr. Ong**"), Mr Ong Kwee Eng (an associate of Dr. Ong), and key executives 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 abovementioned 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 entitled "Interested Person Transactions – Present and Ongoing Interested Period Transactions" (Page 191) for further details. Such indemnity against losses in connection with the abovementioned land use rights had expired on 7 April 2015. 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 Ong Eng Hock Simon, Mr Ong Eng Siew Raymond 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.

Between 2019 and 2023, Dr Ong has extended the following loans to the Company, and the Company has made the following repayment(s):

Month and year	Loan amount S$	Amount repaid S$	Total
August 2019	$ 200,000	-	$ 200,000
February 2020	$ 150,000	-	$ 150,000
June 2020	$ 200,000	-	$ 200,000
August 2020	$ 200,000	-	$ 200,000
November 2020	$ 100,000	-	$ 100,000
January 2021	$ 100,000	-	$ 100,000
February 2021	$ 100,000	-	$ 100,000
March 2021	$ 100,000	-	$ 100,000
June 2021	$ 150,000	-	$ 150,000
July 2021	$ 100,000	-	$ 100,000
August 2021	$ 50,000	-	$ 50,000
October 2021	$ 150,000	-	$ 150,000
February 2023	$ 100,000	-	$ 100,000
March 2023	$ 255,000	-	$ 255,000
May 2023	-	$ (1,000,000)	$ (1,000,000)
Total	**$1,955,000**	**$(1,000,000)**	**$955,000**

As at 30 June 2023, the net loans from Dr. Ong amounted to $955,000 and the interests accrued on these loans from August 2019 to December 2021 amounted to $151,000. The loans were for the Company's working capital, are unsecured, repayable on demand and bear interest at 8% per annum (11% per annum from 1 January 2023, subject to the shareholders' approval).

For avoidance of doubt, there was no interest payable or accrued during the financial period ended 30 June 2023 and full year 2022 for the loans from Dr Ong and there will be no interest payable or accrued for the loans from Dr Ong (including the previous loans and new loan from Dr Ong) until such time the Company obtains approval from the Shareholders in an extraordinary general meeting to be conducted at a later date for the payment of interest for loans from Dr Ong (including, *inter alia,* interest for the new loan from Dr Ong and past interest for the previous loans from Dr Ong).

Astute Ventures Pte Ltd, ("Astute Ventures") a controlling shareholder, has extended loans to the Company of $201,750 in April 2021, $211,120 in May 2021, $20,000 in September 2021, and $255,000 in March 2023. As at 30 June 2023, the loans from Astute Ventures amounted to $687,870 and the interests accrued on these loans from April to December 2021 amounted to $22,900. The loans were for the Company's working capital, are unsecured, repayable on demand and bear interest at 8% per annum (11% per annum from 1 January 2023, subject to the shareholders' approval).

For avoidance of doubt, there was no interest payable or accrued during the financial period ended 30 June 2023 and full year 2022 for the loans from Astute Ventures and there will be no interest payable or accrued for the loans from Astute Ventures until such time the Company obtains approval from the Shareholders in an extraordinary general meeting to be conducted at a later date for the payment of interest for loans from Astute Ventures (including, *inter alia,* past interest for the loans from Astute Ventures).

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.

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	Nil [(a)]	Not applicable
Astute Ventures Pte Ltd	Controlling shareholder	Nil [(b)]	Not applicable

Note:

a) As explained in the previous paragraphs, Dr Ong has extended several loans to the Company during August 2019 to March 2023. As at 30 June 2023, the net loans amounted to $955,000 with interest accrued from August 2019 to December 2021, amounted to $151,000.

b) As explained in the previous paragraphs, Astute Ventures has extended several loans to the Company during April 2021 to March 2023. As at 30 June 2023, the loans amounted to $687,870 with interest accrued from April to December 2021 amounted to $22,900.

14. Negative confirmation pursuant to the Rule 705(5) of the Catalist Listing

The Board hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for 2Q2023 and 1H2023 to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company hereby confirms that it has procured signed undertakings from all its Directors and the relevant executive officers in the format as set out in Appendix 7H of the Catalist Listing Manual in accordance with Rule 720(1) of the Catalist Listing Manual.

On behalf of the Board,

Dr Ong Hian Eng
CEO and Executive Director

Ong Eng Hock Simon
Director

14 August 2023

*This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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