
Update on transaction with Sichuan Rongda Yuexiang Chemical Group Co., Ltd.

1. INTRODUCTION

The Board of Directors of AsiaPhos Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements on 22 March 2023, 12 June 2023, 28 June 2023, 3 July 2023 and 14 August 2023 and would like to provide an update.

2. UPDATE

On 24 August 2023, Sichuan Rongda Yuexiang Chemical Group Co., Ltd (“Rongda”) informed the Management that due to, *inter alia*, the P4 market has softened, maintenance, human and material costs are higher than Rongda’s original estimation and amount of investment needed has increased because of need for new power line, some of Rongda’s shareholders are unwilling to continue investing, making it difficult to proceed with the transaction. At present, Rongda is actively looking for new investment partners, and they also hope that the Group assists in finding new partners to work together with Rongda or take over from Rongda completely to complete the Cooperation Agreement.

Certain parties have expressed an interest in acquiring the Phase 1 Factory, and Management is negotiating to get them to replace Rongda.

The Company is currently unable to provide a definitive assessment on the impact of this development on the transaction with Rongda and also the financial impact on the Group’s earnings and net tangible asset for the financial year ending 31 December 2023. The lease deposit and rental of RMB12 million in aggregate which have been received, are non refundable.

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.

Shareholders and potential investors should exercise caution when trading in the Company’s shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Dr Ong Hian Eng
Executive Director
AsiaPhos Limited

24 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. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914,
Telephone number: 6221 0271*