
HOLDING ANNOUNCEMENT – RESTRUCTURING AND POTENTIAL ACQUISITION

Restructuring and Potential Acquisition

The Board of Directors of AsiaPhos Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is in contemplation to conduct a restructuring exercise involving the subsidiaries in the Group’s business (the “**Restructuring**”) and potential acquisition of other businesses (“**Potential Acquisition**”).

The Restructuring is, *inter-alia*, to cater for the ongoing arbitration with the People’s Republic of China (“**PRC**”) Government; restore the financial position of the Company and to transform the Company into a more suitable listing platform for new assets/business.

As disclosed in the Company’s announcements on the SGX-Net, the Group’s operations in Mines 1 and 2, and the Feng Tai mine were interrupted following a directive from the Mianzhu City Government to vacate and rehabilitate Mine 2 and the Feng Tai mine, in addition to the stoppage of mining operations imposed by the PRC Government at Mine 1 and the non-renewal of the Mine 1 mining and exploration licenses.

The Management continues to be in discussion with the PRC Government, and negotiation has since escalated to the PRC Government via Ministry of Commerce. As announced on 11 August 2020, the Group’s lawyers have submitted a Request for Arbitration to the PRC Government. The Group continues to be open to consider any compensation proposal from the Chinese Government. The Board expects that such discussion and negotiation with the PRC government (including in the event that the arbitration proceeds) may take years to settle and require substantial funding.

The Company will make further announcements on the Restructuring and the Potential Acquisition, in compliance with, *inter-alia*, requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist (“**Catalist Rules**”) where applicable. The Potential Acquisition will be subjected to Chapter 10 of the Catalist Rules. The Company undertakes that it will comply with requirements of Chapter 10 of the Catalist Rules including but not limited to seeking Shareholders’ approval for the Potential Acquisition (where applicable).

Cautionary Statement

Shareholders should note that as at the date of this announcement, no definitive agreements have been executed for the Restructuring and the Potential Acquisition. Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Restructuring and the Potential Acquisition will materialize. Shareholders should also note that the terms and conditions for the Restructuring and the Potential Acquisition are currently being discussed and negotiated and that no definitive terms has been agreed upon and that it is not certain that parties to the transaction will agree on mutually acceptable terms and conditions. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.



Directors' Responsibility Statement

The Directors 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 or circumstances, *inter-alia*, regarding the Restructuring and the Potential Acquisition, the Company and its subsidiaries 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

23 September 2020

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 Catalyst 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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