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

1. INTRODUCTION

On 22 March 2023, the Company announced that it has entered into a cooperation agreement with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. (“**Rongda**”) in connection with inter alia, the temporary lease of the yellow phosphorus plant asset including plants, buildings, plant facilities and equipment, process devices, projects under construction, and such other civil constructions and structures etc for the production of yellow phosphorus (the ‘P4 Plant’) owned by Sichuan Mianzhu Norwest Phosphate Co Ltd (“**SMNPC**”) to Rongda.

A Circular to the Shareholders on the transaction was released on SGXnet on 14 April 2023 and at an Extraordinary General Meeting held on 29 April 2023, all the resolutions in relation to the transaction with Rongda were passed by the Company’s shareholders.

2. UPDATE

On 9 June 2023, SMNPC was informed by the State Grid Sichuan Electric Power Company Deyang City Mianzhu East Supply Branch (“State Grid Mianzhu East Supply Branch”) that they could not supply electricity to SMNPC as the Electricity Supply Capacity in the Gongxing Industrial Park was insufficient. This development may delay the completion of the transaction with Rongda.

SMNPC Management and Rongda will continue to engage with the State Grid Mianzhu East Supply Branch and the Mianzhu Government to resolve the electricity power supply issue.

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 Company will make such further announcements at the appropriate juncture, as 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

12 June 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.*

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