ASIAPHOS

ASIAPHOS LIMITED

Company Registration Number: 201200335G

UNAUDITED CONDENSED FINANCIAL STATEMENTS ANNOUNCEMENT FOR FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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					
	Fourth Quarter Ended 31 December			Financial Year Ended 31 December		
	2021	2020	Change	2021	2020	Change
	$'000	$'000	%	$'000	$'000	%
					(Restated)	
<u>Continuing operations</u>						
Revenue	482	300	61	1,273	846	50
Cost of sales	(415)	(273)	52	(1,119)	(757)	48
Gross profit	67	27	148	154	89	73
Other income	188	323	(42)	629	740	(15)
Selling and distribution costs	(27)	(25)	8	(89)	(72)	24
General and adminstrative costs	(999)	(1,479)	(32)	(4,351)	(3,553)	22
Finance costs	(165)	(127)	30	(596)	(485)	23
Other expenses	(58)	(386)	(85)	(254)	(386)	(34)
Profit/(loss) before tax, from continuing operations	(994)	(1,667)	(40)	(4,507)	(3,667)	23
Taxation	82	(122)	N.M.	80	(122)	N.M.
Profit/(loss) from continuing operations, net of tax	**(912)**	**(1,789)**	(49)	**(4,427)**	**(3,789)**	17
<u>Discontinued operation</u>						
Profit/(loss) from discontinued operation, net of tax	(73,682)	3	N.M.	(73,468)	624	N.M.
Loss for the period	**(74,594)**	**(1,786)**	4077	**(77,895)**	**(3,165)**	2361
<u>Other comprehensive income</u>						
<u>Items that may not be recycled to profit or loss</u>						
Foreign currency translation gain/(los	183	977	(81)	860	1,316	(35)
Total comprehensive loss for the period	(74,411)	(809)	9098	(77,035)	(1,849)	4066
Net loss for the period attributable to:						
<u>Owners of the Company</u>						
Profit/(loss) from continuing operations, net of tax	(912)	(1,636)	(44)	(4,427)	(3,636)	22
(Loss)/profit from discontinued operation, net of tax	(64,398)	3	N.M.	(64,338)	624	N.M.
	(65,310)	(1,633)	3899	(68,765)	(3,012)	2183
<u>Non-controlling interest</u>						
Loss from continuing operations, net of tax	(9,284)	(153)	-	(9,130)	(153)	-
Profit/(loss) from discontinued operation, net of tax	-	-	-	-	-	-
	(9,284)	(153)	5968	(9,130)	(153)	5867
Loss for the period	(74,594)	(1,786)	4077	(77,895)	(3,165)	2361
Total comprehensive loss for the period attributable to:						
Owners of the Company	(65,127)	(656)	9828	(67,905)	(1,696)	3904
Non-controlling interest	(9,284)	(153)	5968	(9,130)	(153)	5867
	(74,411)	(809)	9098	(77,035)	(1,849)	4066
Attributable to owners of the Company						
Total comprehensive loss for the period from continuing operations	(729)	(812)	(10)	(3,567)	(2,473)	44
Total comprehensive income for the period from discontinued operation	(73,682)	3	N.M.	(73,468)	624	N.M.
	(74,411)	(809)	9098	(77,035)	(1,849)	4066

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

	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
Consolidated statement of profit or loss	**2021**	**2020**	**2021**	**2020**
				(Restated)
Earning per share for profit/(loss) for the period attributable to the owner of the Company during the year:				
Basic earnings/(loss) per share (cents)				
- from continuing operations	(0.09)	(0.16)	(0.43)	(0.35)
- from discontinued operation	(6.24)	N.M	(6.24)	0.06
	(6.33)	(0.16)	(6.67)	(0.29)
Diluted earnings/(loss) per share (cents)				
- from continuing operations	(0.09)	(0.16)	(0.43)	(0.35)
- from discontinued operation	(6.24)	N.M	(6.24)	0.06
	(6.33)	(0.16)	(6.67)	(0.29)

N.M." denotes not meaningful.

Foreign currency translation gain/(loss) represents 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 currency positions in RMB are considered to be long-term in nature. Such translation gains/(losses) are of unrealised nature and do not impact current year profit/(loss) unless the underlying assets or liabilities of the PRC subsidiaries are disposed of.

In the fourth quarter ended 31 December 2021 ("**4Q2021**"), the Group recorded translation gain of $0.18 million due to the strengthening of RMB against SGD.

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					
	Fourth Quarter Ended 31 December			Financial Year Ended 31 December		
	2021	2020	Change	2021	2020	Change
	$'000	$'000	%	$'000	$'000	%
Interest income	-	1	(100)	2	3	(33)
Interest income on late payment by customer	-	-	-	-	105	(100)
Government grants	6	19	(68)	16	71	(77)
Interest expenses	(125)	(111)	13	(469)	(443)	6
Interest on loan from a substantial shareholder	(8)	-	N.M	(23)	-	N.M
Interest on loan from director	(32)	(16)	100	(104)	(42)	148
Amortisation and depreciation	-					
- continuing operations #	(116)	(125)	(7)	(455)	(698)	(35)
Provision for doubtful debts (made)/written back	-					
- discontinued operation	-	3	(100)	-	624	(100)
Provision made for impairment on property, plant and equipment and right-of-use asset	-	(182)	(100)	-	(182)	(100)
Impairment on assets of disposal group	(90,066)	-	N.M	(90,066)	-	N.M
Writeback of deferred tax liabilities	16,383	-	N.M	16,383	-	N.M
(Loss)/gain on disposal of property, plant and equipment	-	29	(100)	(9)	37	N.M
Foreign exchange gain/(loss) *	(252)	(941)	(73)	(458)	(467)	(2)

"N.M." denotes not meaningful.
"*" Included in general and administrative costs.
"#" Included in selling and distribution costs and general and administrative costs.

B. Condensed interim statements of financial position

	Group			Company	
	As at			As at	
	31 December 2021 $'000	31 December 2020 $'000 (Restated)	1 January 2020 $'000 (Restated)	31 December 2021 $'000	31 December 2020 $'000
Non-current assets					
Right-of-use asset	1,481	4,040	4,519	-	-
Property, plant and equipment	10,353	13,728	13,501	-	-
Other receivables	8	9	34	-	-
Investment in subsidiary	-	-	-	9,400	45,449
	11,842	17,777	18,054	9,400	45,449
Current assets					
Stocks	153	233	80	-	-
Trade receivables	1	23	40	-	-
Other receivables and prepayments	357	149	160	170	32
Cash and bank balances	2,876	848	881	413	31
Assets of disposal group	6,476	89,775	89,196	-	-
Amounts due from subsidiary	-	-	-	517	340
	9,863	91,028	90,357	1,100	403
Total assets	21,705	108,805	108,411	10,500	45,852
Current liabilities					
Trade payables	57	54	67	-	-
Other payables	7,998	2,902	2,540	798	356
Contract liabilities	273	339	209	-	-
Interest-bearing bank loans	6,211	6,300	6,004	-	-
Loan due to a director	1,792	913	200	1,751	897
Loan due to a controlling shareholder	456	-	-	456	-
Provision for taxation	-	44	45	-	-
Lease liability	25	24	66	-	-
Liability of disposal group	852	17,190	17,152	-	-
Amounts due to subsidiary	-	-	-	3,005	3,208
	17,664	27,766	26,283	6,010	4,461
Net current assets/(liabilities)	(7,801)	63,262	64,074	(4,910)	(4,058)
Non-current liabilities					
Deferred tax liabilities	984	1,022	862	-	-
Deferred income	2,085	1,975	1,882	-	-
Provision for reinstatement cost	27	27	45	-	-
Lease liability	108	133	-	-	-
	3,204	3,157	2,789	-	-
Total liabilities	20,868	30,923	29,072	6,010	4,461
Net assets	**837**	**77,882**	**79,339**	**4,490**	**41,391**
Equity attributable to owners of the Company					
Share capital	78,283	78,283	78,283	78,283	78,283
Reserves	(77,446)	(9,711)	(8,407)	(73,793)	(36,892)
	837	68,572	69,876	4,490	41,391
Non-controlling interest	-	9,310	9,463	-	-
Total equity	**837**	**77,882**	**79,339**	**4,490**	**41,391**

B. Condensed interim statements of financial position (Cont'd)

In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	Group			
	31 December 2021		31 December 2020	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable				
In one year or less, or on demand	6,211	-	6,300	-
After one year	-	-	-	-
	6,211	-	6,300	-

Details of collaterals

As at 31 December 2021, the Group pledged certain right-of-use assets and certain property, plant and equipment of the Group, with net book value of RMB19.45 million (approximately $4.17 million)(31.12.2020: RM19.9 million (approximately $4.04 million)) and RMB35.11 million (approximately $17.52 million) (31.12.2020: RMB51.23 million (approximately $10.39 million)), respectively, as collaterals.

As at 31 December 2021, an amount of RMB1.64 million (approximately $0.35 million) [31 December 2020:- RMB1.49 million (approximately $0.30 million)] included in the cash and bank balances can only be used for payment of interest on a bank loan.

As at 31 December 2021, the Company has also provided a corporate guarantee for a bank loan of RMB19 million (approximately $4.07 million) [31 December 2020: RMB21.05 million (approximately $4.27 million)].

C. Condensed interim consolidated statement of cash flows

	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
				(Restated)
Cash flows from operating activities :				
Loss before taxation				
- continuing operations	(994)	(1,667)	(4,507)	(3,667)
- discontinued operation	(90,065)	3	(89,851)	624
Loss before taxation, total	(91,059)	(1,664)	(94,358)	(3,043)
Adjustments for :				
Depreciation and amortisation expenses	116	125	455	698
Loss/(gain) on disposal of property, plant and equipment	-	(29)	9	(37)
Interest expense (Note (a))	165	127	596	485
Provision made for impairment on property, plant and equipment and right-use asset	-	182	-	182
Impairment on assets of disposal group	90,066	-	90,066	-
Interest income	-	-	(2)	(107)
Unrealised exchange gain	-	769	-	358
Operating loss before working capital changes	(712)	(490)	(3,234)	(1,464)
(Increase)/decrease in stocks	10	(82)	80	(148)
(Increase)/decrease in receivables	68	385	(194)	595
Increase/(decrease) in payables	(1,229)	(57)	688	206
Cash generated from/(used in) operations	(1,863)	(244)	(2,660)	(811)
Interest received	-	1	2	108
Interest paid (Note (a))	(128)	(115)	(467)	(443)
Tax paid	-	-	(46)	-
Net cash flows generated from/(used in) operating activities	(1,991)	(358)	(3,171)	(1,146)
Cash flows from investing activities :				
Payments for property, plant and equipment	-	(41)	(12)	(41)
Deposit received from disposal of property, plant and equipment and land	4,386	-	4,386	-
Proceeds from sale of financial asset held for trading	-	-	-	-
Proceeds from disposal of property, plant and equipment	-	535	14	543
Proceeds from refund of mining deposits (Note (b))	-	-	-	-
Increase in restricted deposits (Note (b))	(3)	-	(151)	-
Net cash flows generated from/(used in) investing activities	4,383	494	4,237	502
Cash flows from financing activities :				
Repayment of bank loan	(4,462)	(4,213)	(6,449)	(6,200)
Proceeds from bank loan	4,036	4,211	6,023	6,198
(Increase)/decrease in pledged deposits (Note (a))	(216)	(229)	117	(7)
Payments of lease liability	(6)	(6)	(24)	(72)
Loan from a controlling shareholder	-	-	432	-
Loan from a director	150	100	750	650
Net cash flows generated from/(used in) financing activities	(498)	(137)	849	569
Net increase/(decrease) in cash and cash equivalents	1,894	(1)	1,915	(75)
Cash and cash equivalents at beginning of period	355	329	330	396
Effects of exchange rate changes on cash and cash equivalents	48	2	52	9
Cash and cash equivalents at end of period	2,297	330	2,297	330

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

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	As at 31 December	
	2021	2020
	$'000	$'000
Cash and bank balances	2,876	848
Less : pledged deposits for bank loans (Note (a))	(352)	(303)
Less : restricted use of mining deposits (Note (b))	(227)	(215)
Cash and cash equivalents at end of period	2,297	330

Note (a): Included in the interest expense in 31 December 2021 ("4Q2021") and fourth quarter ended 31 December 2020 ("**4Q2020**") were amounts of $111,000 and $75,000, respectively, paid via deduction from a specific bank account. The amount in the specific bank account can only be used to pay interest on a bank loan.

Note (b): In 2019, the PRC government refunded deposits in respect of the Group's rehabilitation obligations for its mines, but requires the amounts to be held in specific bank accounts and the use of these amounts is restricted until the completion of rehabilitation of the mines.

D. Condensed interim statements of changes in equity

Group	Share capital $'000	Merger reserve $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Safety fund surplus reserve $'000	Total reserves $'000	Non-controlling interest $'000	Total equity $'000
2021								
Balance at 1 January 2021	78,283	850	(13,100)	989	1,550	(9,711)	9,310	77,882
Total comprehensive income for the period	-	-	(677)	(244)	-	(921)	-	(921)
Prior year adjustment						-		-
Balance at 31 March 2021	78,283	850	(13,777)	745	1,550	(10,632)	9,310	76,961
Total comprehensive income for the period	-	-	(921)	793	-	(128)	(17)	(145)
Balance at 30 June 2021	78,283	850	(14,698)	1,538	1,550	(10,760)	9,293	76,816
Total comprehensive income for the period	-	-	(1,687)	128	-	(1,559)	(9)	(1,568)
Balance at 30 September 2021	78,283	850	(16,385)	1,666	1,550	(12,319)	9,284	75,248
Total comprehensive income for the period	-	-	(65,310)	183	-	(65,127)	(9,284)	(74,411)
Balance at 31 December 2021	78,283	850	(81,695)	1,849	1,550	(77,446)	-	837
2020								
Balance at 1 January 2020	78,283	850	(10,086)	(329)	1,550	(8,015)	9,463	79,731
Impact on adoption of SFRS(I) 16								
Prior year adjustment	-	-	(392)	-	-	(392)	-	(392)
Balance at 1 January 2020, restated	78,283	850	(10,478)	(329)	1,550	(8,407)	9,463	79,339
Total comprehensive income for the period	-	-	(444)	1,089	-	645	-	645
Balance at 31 March 2020	78,283	850	(10,922)	760	1,550	(7,762)	9,463	79,984
Total comprehensive income for the period	-	-	(392)	(683)	-	(1,075)	-	(1,075)
Balance at 30 June 2020	78,283	850	(11,314)	77	1,550	(8,837)	9,463	78,909
Total comprehensive income for the period	-	-	-	(65)	-	(65)	-	(65)
Balance at 30 September 2020	78,283	850	(11,314)	12	1,550	(8,902)	9,463	78,844
Total comprehensive income for the period	-	-	(1,786)	977	-	(809)	(153)	(962)
Balance at 31 December 2020	78,283	850	(13,100)	989	1,550	(9,711)	9,310	77,882

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

Company	Share capital $'000	Accumulated losses $'000	Total reserves $'000	Total equity $'000
2021				
Balance at 1 January 2021	78,283	(36,892)	(36,892)	41,391
Total comprehensive income for the period	-	(426)	(426)	(426)
Balance at 31 March 2021	78,283	(37,318)	(37,318)	40,965
Total comprehensive income for the period	-	(373)	(373)	(373)
Balance at 30 June 2021	78,283	(37,691)	(37,691)	40,592
Total comprehensive income for the period	-	(1,586)	(1,586)	(1,586)
Balance at 30 September 2021	78,283	(39,277)	(39,277)	39,006
Total comprehensive income for the period	-	(34,516)	(34,516)	(34,516)
Balance at 31 December 2021	78,283	(73,793)	(73,793)	4,490
2020				
Balance at 1 January 2020	78,283	(35,811)	(35,811)	42,472
Total comprehensive income for the period	-	(157)	(157)	(157)
Balance at 31 March 2020	78,283	(35,968)	(35,968)	42,315
Total comprehensive income for the period	-	(241)	(241)	(241)
Balance at 30 June 2020	78,283	(36,209)	(36,209)	42,074
Total comprehensive income for the period	-	(342)	(342)	(342)
Balance at 30 September 2020	78,283	(36,551)	(36,551)	41,732
Total comprehensive income for the period	-	(341)	(341)	(341)
Balance at 31 December 2020	78,283	(36,892)	(36,892)	41,391

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.

As disclosed in the Group’s announcements dated 13 January 2022, with effect from 31 January 2022, the Company registered office changed to 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. The principal place of business of the Company remains at 22 Kallang Avenue, #03-02 Hong Aik Industrial Building, Singapore 339413.

These condensed interim financial statements as at and for the financial year ended 31 December 2021 comprises the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group are organised into product units based on their products and have two reportable segments as follows:

(a) The upstream segment is in the business of exploration, mining and sale of phosphate rocks. As discussions are in progress with the Chinese Government, the upstream segment had been presented as discontinued operation; and

(b) The downstream segment is in the business of manufacturing, sale and trading of phosphate-based chemical products.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

2. Basis of Preparation

The condensed interim financial statements for the financial year ended 31 December 2021 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 2020.

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.

Going concern

The Group incurred a net loss after tax of $77.9 million in FY2021 (FY2020 - $3.17 million) and net cash used in operating activities of $3.17 million in FY2021 (FY2020: $1.15 million), respectively. Excluding the assets and liability of the disposal group, the Group's current liabilities exceeded its current assets by $13.42 million (31 December 2020 – $9.32 million) as at 31 December 2021. The Company has accumulated losses of $73.79 million (31 December 2020 – $36.89 million) as at 31 December 2021 and has a net current liability of $4.91 million (31 December 2020 – $4.06 million) as at 31 December 2021. 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 (inter alia internal estimates of the value of P4 plantas well as forward numbers) and confirm 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 is able to generate cash flows from its downstream chemical segments through trading of chemical products like Sodium Tripolyphosphate ("STPP"), Sodium Hexametaphosphate as well as other polyphosphate chemicals and achieve reduction in cash outlays and overheads due to downsized operations.

(b) As disclosed in the Group's announcements dated 29 November 2021, the Company's subsidiary, Sichuan Mianzhu Norwest Phosphate Co., Ltd ("Mianzhu Norwest") has entered into a sale and purchase agreement ("SPA") with Sichuan Mianzhu Huaxinfeng Food Co.,Ltd ("Mianzhu Huaxinfeng ") on 29 November 2021 in connection with the proposed disposal of the Phase 2 Factory Assets located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, PRC (the "Proposed Disposal") of RMB31.50 million. As at the date of the balance sheet, RMB 20.48 milion of the purchase consideration has been received.

The Group is in discussion the sale or lease of its P4 plant.

(c) Discussions will be carried out by the Group with financial institutions to rollover its existing loans as and when they fall due. As the Group has in the past not defaulted on any of the loans extended to it, barring unforeseen circumstances, the Directors expect that the Group will be able to obtain requisite financing for the Group's operations. The Company's subsidiaries, Mianzhu Norwest and Deyang Fengtai Mining Company Limited ("Fengtai"), have managed to extend the maturity of the bank loans for another 12 months as announced on 24 December 2021 and 10 January 2022.

In addition, the cash resources of the Group will be augmented by the support of its majority shareholders and also, as disclosed in our announcement on the termination of the acquisition of MMJV on 7 April 2021, the Group will continue to source for other corporate, business, acquisition and financing opportunities as and when available and appropriate to enhance shareholders' value.

(d) The Company is in discussion for potential placement of new shares.

As a result, the consolidated financial statements of the Group and the Company have been prepared on a going concern basis.

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.

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 Dollar which is the Company's functional currency. All financial information has been presented in Singapore Dollars and rounded to the nearest thousand ($'000) unless otherwise stated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2021, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16	*COVID-19-Related Rent Concessions*	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021

Amendments to SFRS(I) 16 COVID-19-Related Rent Concessions

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification.

The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020.

The Group has applied the amendments on 1 January 2021. In addition, the Group has elected to apply the practical expedient to all of the COVID-19 related rental concessions it has obtained as lessee.

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark ("IBOR reform"), including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021. The amendments apply retrospectively but provide relief from restating comparative information.

In accordance with the transitional provisions, on [1 January 2021], the Group has applied the amendments retrospectively but is not required to restate prior period figures.

The Group has adopted the practical expedient to allow for modifications of its financial assets, financial liabilities and lease liabilities, which are required by the IBOR reform as a direct consequence and made on an economically equivalent basis, to be accounted for by updating the effective interest rate prospectively. Consequently, changes in the basis for determining the contractual cash flows of its financial assets, financial liabilities and lease liabilities that are required by the reform did not result in an adjustment to the carrying amount of the financial instrument or immediate recognition of a gain or loss.

The Group's net investment in PRC is not hedged as currency positions in RMB are considered to be long-term in nature. Such translation gains/(losses) are of unrealised nature and do not impact current year profit/(loss) unless the underlying assets or liabilities of the PRC subsidiaries are disposed of.

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 that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are review1ed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

<u>Assets and liability of disposal group</u>
Since November 2017, the Group has been in discussion with the Chinese Government in relation to Mine 1, Mine 2 and Fengtai Mine (collectively, the "Mining Assets"). Based on legal advice received, while the Group's ownership of the Mining Assets was still valid as at 31 December 2017, the Mianzhu City Government's request to provide a letter of undertaking to vacate and rehabilitate its mining sites in respect of Mine 2 and Fengtai Mine and the non-renewal of mining and exploration licenses of Mine 1 is tantamount to an indirect expropriation of these Mining Assets.

SFRS(I) 5 Non-current assets held for sale and discontinued operations requires non-current assets to be classified as held for sale if the carrying amount will be recovered principally through a sale transaction or otherwise rather than continuing use. The carrying value of the Mining Assets is expected to be recovered principally through compensation receivable from the Chinese Government for the expropriation of the Mining Assets.

SFRS(I) 5 also recognises that events and circumstances may extend the period required to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude the disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the disposal group.

As at 31 December 2021, the disposal of Mining Assets has not been completed. As announced on 11 August 2020, the Group's lawyers have submitted a Request for Arbitration to the Chinese Government The Group continues to be open to consider any compensation proposal from the Chinese Government.

Accordingly, due to the continuing discussions with the Chinese Government, the directors were of the view that it was appropriate for the Group to continue to present all mining related property, plant and equipment, mine properties, goodwill and deposits for mining levy, and the provision for rehabilitation as "assets of disposal group" and "liability of disposal group" respectively on the Group's consolidated balance sheet as at 31 December 2021. See also the note on impairment of asset below.

<u>Income tax</u>

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of office premises and service outlets, the Group considers factors including historical lease durations and the costs and business disruption required to replace the leased asset.

If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2.2. Use of judgements and estimates (Cont'd)

Determination of operating segments

Management will first identify the Chief Operating Decision Maker ("CODM"). Then it should identify their business activities (which may not necessarily earn revenue or incur expenses).

Management will further determine whether discrete financial information is available for the business activities and whether that information is regularly reviewed by the CODM. Judgement is applied by management of the aggregation criteria to operating segments.

Key sources of estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Depreciation of property, plant and equipment and right-of-use assets
The Group reviews the estimated useful lives of property, plant and equipment and right-of-use assets at the end of each annual reporting period. Changes in the expected level and future usage can impact the economic useful lives of these assets with consequential impact on the future depreciation charge.

Impairment of property, plant and equipment and right-of-use assets.
The Group assesses whether there are any indicators of impairment for property, plant and equipment and right-of-use assets at the end of each reporting period. Property, plant and equipment and right-of-use assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. When value in use calculation is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs to sell is used, management uses the value estimated by professional valuers to determine the fair values using valuation techniques which involve the use of estimates and assumptions which are reflective of current market conditions.

Impairment of assets of disposal group
Assets of disposal group include all mining related property, plant and equipment, mine properties, goodwill and deposits for mining levy.

As at 31 December 2021, the Board has reassessed the Group's position in the investment dispute with the Chinese Government. It looks increasingly unlikely that the Chinese Government will settle the dispute amicably. Accordingly, the Group has recorded an impairment loss of $90 million on the mining assets that was presented as asset of disposal group.

Impairment of investment in subsidiaries
Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of the investments or the realisable value of the underlying net assets. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

2.2. Use of judgements and estimates (Cont'd)

At the reporting date, the carrying amount of investment in subsidiaries is $9,469,000 (31 December 2020 - $45,449,000). Management has evaluated the recoverability of the investment based on the estimated realisable value of the underlying net assets.

Allowance for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at each reporting date and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories is estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

Estimation of the incremental borrowing rate ("IBR")

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity uses its IBR applicable to the leased asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating).

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

	Upstream (discontinued)		Downstream		Adjustments and eliminations		Note	Total	
	Financial Year Ended 31 December		Financial Year Ended 31 December		Financial Year Ended 31 December			Financial Year Ended 31 December	
The Group	2021	2020	2021	2020	2021	2020		2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000		$'000	$'000
Profit or loss									
Revenue - external	301	-	1,273	846	-	-	A, B	1,574	846
Gain/(loss) on disposal of property, plant and equipment	-	-	(9)	37	-	-	C	(9)	37
Gain/(loss) on disposal of right-of-use asset			-	(29)	-	58		-	29
Depreciation and amortisation expenses	-	-	(455)	(698)	-	-	C	(455)	(698)
Interest income	-	-	-	-	2	3	C	2	3
Interest expense	-	-	-	-	(596)	(485)	B, C	(596)	(485)
Termination of services of employees	-	-	-	(2)	-	-	B, C	-	(2)
Provision made for impairment on equipment and right-use-asset	-	-	-	(182)	-	-	C	-	(182)
Impairment on equipment and right-use-asset	(90,066)	-	-	-	-	-	B, C	(90,066)	-
Provision for doubtful debts (made)/written back	-	624	-	-	-	(624)	B, C	-	-
Writeback of deferred tax liabilities	16,383	-						16,383	
Segment profit/(loss) before tax	(89,851)	624	(4,067)	(2,586)	(849)	(1,081)	D	(94,767)	(6,710)

Notes Additional information and nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A There was no inter-segment revenue.

B The amounts relating to upstream segment has 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".

C Adjustments relate to unallocated corporate income and expenses.

D The following items are added to/(deducted from) segment profit/(loss) to arrive at "loss before tax, from continuing operations" presented in the consolidated statement of comprehensive income:

	Group	
	Financial Year Ended 31 December	
	2021	2020
	$'000	$'000
Segment results of discontinued operation	89,851	(624)
Exchange gain	458	467
Government grant and subsidy income	16	71
Interest expense	(596)	(485)
Interest income	2	108
Other corporate expenses	(90,580)	(618)
	(849)	(1,081)

Other corporate expenses include salaries and related costs, professional fees and other office and corporate related expenses.

E There was no addition to non-current assets.

4. Segment and revenue information (Cont'd)

Geographical information

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

	Group			
	Financial Year Ended 31 December	As at 31 December	Financial Year Ended 31 December	As at 31 December
	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
	$'000	$'000	$'000	$'000
				(Restated)
People's Republic of China	370	11,790	118	17,745
Singapore	-	52	-	32
India	868	-	721	-
United States of America	-	-	-	-
Others	336	-	7	-
	1,574	11,842	846	17,777
Less: discontinued operation	(301)	-	-	-
	1,273	11,842	846	17,777

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, prepayments and other receivables as presented in the consolidated balance sheets.

Information about major customers

	Group			
	Financial Year Ended 31 December		Financial Year Ended 31 December	
	2021		2020	
	$'000	% of revenue	$'000	% of revenue
Revenue				
Customer A [(1)]	868	68%	451	53%
Customer B [(1)]	259	20%	68	8%

(1) downstream segment

Information about products

Revenue information based on products is as follows:

	Group Financial Year Ended 31 December	
	2021 $'000	2020 $'000
STPP	-	34
SHMP	97	83
STMP	1,176	729
Revenue from continuing operations	1,273	846
Revenue from discontinued operation	301	-
	1,574	846

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:

	The Group		The Company	
	31 December 2021 $'000	31 December 2020 $'000 (Restated)	31 December 2021 $'000	31 December 2020 $'000
Financial assets at amortised cost				
Other receivables#	238	81	118	-
Trade receivables	1	23	-	-
Amounts due from subsidiaries	-	-	517	340
Cash and cash equivalents	2,876	848	413	31
	3,115	952	1,048	371
Financial liabilities at amortised cost				
Trade and other payables	8,055	2,956	798	356
Interest-bearing bank loans	6,211	6,300	-	-
Loan due to a director	1,792	913	1,751	897
Loan due to a controlling shareholder	456	-	456	-
Lease liability	133	157	-	-
Amounts due to subsidiaries	-	-	3,005	3,208
	16,647	10,326	6,010	4,461
# Exclude prepayments				
Other receivables and prepayments#	357	149	170	32
Less: Prepayment	-119	-68	-52	-32
	238	81	118	-

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Current income tax expense	-	-	-	-
Reversal				
Deferred tax liabilities relating to investment in a subsidiary	16,383	-	16,383	-
Deferred income tax expense relating to origination and reversal of temporary differences	-	-	-	-
	16,383	-	16,383	-
Adjustment for over provision of tax in respect of prior years				
respect of prior years	82	-	80	-
	16,465	-	16,463	-

7. Right-of-use assets

The Group	Land-use-rights $'000	Office premises $'000	Total $'000
Cost			
At 1 January 2020	4,997	191	5,188
Additions	-	190	190
Disposals	(529)	-	(529)
Currency realignment	241	-	241
At 31 December 2020	4,709	381	5,090
Additions	-	-	-
Transfer to assets of disposal group	(3,119)	-	(3,119)
Currency realignment	262	-	262
At 31 December 2021	**1,852**	**381**	**2,233**
Accumulated depreciation and impairment losses			
At 1 January 2020	558	111	669
Depreciation expense	106	88	194
Disposal	(24)	-	(24)
Impairment loss	-	182	182
Currency realignment	29	-	29
At 31 December 2020	669	381	1,050
Depreciation expense	96	-	96
Transfer to assets of disposal group	(435)	-	(435)
Impairment loss	-	-	-
Currency realignment	41	-	41
At 31 December 2021	**371**	**381**	**752**
Net carrying amount			
At 31 December 2021	**1,481**	**-**	**1,481**
At 31 December 2020	4,040	-	4,040

Right-of-use assets represent

(i) cost of land use rights in respect of one plot of leasehold land located in Sichuan Province, PRC. A PRC subsidiary obtained land use rights in Mianzhu City, Sichuan Province, PRC, with licensed tenure of approximately 50 years when obtained in December 2011.

(ii) right of use to occupy an office space which was previously recognised as operating lease. Depreciation of right-of-use assets are recognised in the "General and administrative costs" in the consolidated statement of comprehensive income.

8. Property, plant and equipment

During the financial year ended 31 December 2021, the Group acquired assets amounting to $12,000 (31 December 2020: $41,000 and disposed of assets amounting to $14,000 (31 December 2020: $543,000).

9. Borrowings

	Group			
	31 December 2021		31 December 2020	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable				
In one year or less, or on demand	6,211	-	6,300	-
After one year	-	-	-	-
	6,211	-	6,300	-

10. Share capital

	The Group and the Company			
	31 December 2021		31 December 2020	
	Number of shares		Number of shares	
	'000	$'000	'000	$'000
Ordinary shares issued and fully paid, with no par value:				
Balance at beginning and at end of year	1,031,525	78,283	1,031,525	78,283

11. Related Parties Transactions

Except as disclosed on page 5 and page 8 of Section A and Section F note 13, there are no other related parties transactions.

12 Prior year adjustment and reclassification of accounts

In 2021, the Group discovered that long overdue prepayment and other receiveables had not been impaired.. The error have been corrected by restating each of the affected financial statement line items for the prior periods. The following table summarises the impacts on the Group's consolidated financial statements.

Deferred tax liability related to deferred tax provided on the difference between the fair value and the book value of the Mining Assets acquired in 2015. When the mining assets and related liabilities were reclassified to asset and liability of disposal group in current assets and current liability, the deferred tax liabilities in Non Current Liability should have been reclassified to liability of disposal group under current liability.

	As previously report $'000	Adjustment $'000	As restated $'000
The Group			
(i) Consolidated statement of financial position			
At 1 Janaury 2020:			
Prepayment and deposit	393	(233)	160
Accumulated losses	(10,086)	(392)	(10,478)
At 31 December 2020:			
Prepayment and deposit	382	(233)	149
Accumulated losses	(12,700)	(400)	(13,100)
Liability of disposal group	807	16,383	17,190
Deferred tax liabilities	17,405	(16,383)	1,022
(ii) Consolidated statement of profit and loss and other comprehensive income			
For the year ended 31 December 2020:			
General and administrative expenses	3,153	400	3,553
Loss for the year	(2,765)	(400)	(3,165)
(iii) Consolidated statement of cash flow			
For the year ended 31 December 2020:			
Operating cash flow before movements in working capital	(1,423)	(41)	(1,464)
Cash generated from/(used in) operations	(870)	59	(811)
Net cash generated from/(used in) operating activities	(762)	(384)	(1,146)
(iv) Earning per share			
For the year ended 31 December 2020:			
Basic earning per share (cents)	(0.27)	(0.04)	(0.31)
Diluted earning per share (cents)	(0.27)	(0.04)	(0.31)

13. Events Occurring After The Reporting Period

There are no known subsequent events which led to adjustments to this set of interim financial

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 31 December 2020 and 31 December 2021, 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 31 December 2020 and 31 December 2021.

As at 31 December 2020 and 31 December 2021, 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	
	31 December 2021	**31 December 2020**
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 2020 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) Assets and liability of disposal group and discontinued operation
Update:
As at 31 December 2021, the Board has reassessed the Group's position in the investment dispute with the Chinese Government. It looks increasingly unlikely that the Chinese Government will settle the dispute amicably. Accordingly, the Group has recorded an impairment loss of $90 million on the mining assets that was presented as asset of disposal group.

ii) Impairment of investment in subsidiaries and recoverability of amounts due from subsidiaries
Update: As at 31 December 2021, the carrying amount of investment in subsidiaries is $9,400,000 (31 December 2020 - $45,449,000). Management has evaluated the recoverability of the investment based on the estimated realisable value of the underlying net assets and the Company has recognised an impairment loss of $36,049,000.

iii) Recoverable amount of property, plant and equipment and right-of-use assets ("ROU")
Update:
Using independent valuation reports prepared in 2020 by an independent Chinese professional valuer engaged by the management and offers received from various parties, the management had assessed the recoverable amounts of the P4 plant, STPP plant and ROU, no provision of impairment on the P4 plant, STPP plant and ROU in year ended 31 December 2021.

The management had assessed the recoverable amounts of the P4 plant, STPP plant and ROU, no provision of impairment on the P4 plant, STPP plant and ROU was recognised in 4Q2021.

The Group will continue to assess the recoverable amount of the P4 plant, STPP plant and ROU.

iv) Valuation of warrants
Update:
The Board of directors believes that the valuation of warrants which expired in FY2020, will not have any financial impact on the results and financial position of the Group and the Company for the year ending 31 December 2021.

The Board confirms that the impact of the abovementioned audit issues on the financial statements have 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 2020.

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 2020. 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			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2021	2020	2021	2020 (Restated)
Earnings/(loss) attributable to owners of the Company used in the computation of basic earnings per share ($'000)				
- from continuing operations	(912)	(1,636)	(4,427)	(3,636)
- from discontinued operation	(64,398)	3	(64,338)	624
	(65,310)	(1,633)	(68,765)	(3,012)
Weighted average number of ordinary shares for basic earnings per share ('000)	1,031,525	1,031,525	1,031,525	1,031,525
Basic earnings/(loss) per share (cents)				
- from continuing operations	(0.09)	(0.16)	(0.43)	(0.35)
- from discontinued operation	(6.24)	N.M	(6.24)	0.06
	(6.33)	(0.16)	(6.67)	(0.29)

"N.M." denotes not meaningful

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.

	Group		Company	
	As at		As at	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		(Restated)		
Net asset value ($'000)	837	77,882	4,490	41,391
Number of ordinary shares ('000)	1,031,525	1,031,525	1,031,525	1,031,525
Net asset value per ordinary share (cents)	0.08	7.55	0.44	4.01

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 place.

The Group is organised into product units as follows:

(a) upstream segment relates to the business of exploration, mining and sale of phosphate rocks (the "**Upstream Segment**"). As discussions are in progress with the Chinese Government, the Upstream Segment had been presented as discontinued operation; and

(b) downstream segment relates to the business of manufacturing, sale and trading of phosphate-based chemicals products such as elemental phosphorus ("**P_4**"), sodium tripolyphosphate ("**STPP**") and sodium hexametaphosphate ("**SHMP**"); the sale of P_4 by-products, such as slag, sludge and ferrophosphate; and other phosphate chemicals (the "**Downstream Segment**").

Profit or loss

Revenue, cost of goods sold and gross profit

Revenue increased by $0.18 million, from $0.30 million in 4Q2020 to $0.48 million in 4Q2021, mainly due to higher quantity sold in 4Q2021 than 4Q2020. The revenue is solely derived from the sales of STMP and SHMP.

The cost of goods sold increased by $0.15 million, from $0.27 million in 4Q2020 to $0.42 million in 4Q2021, in line with the higher activity level.

Gross profit margin increased by 4.90%, from 9.00% in 4Q2020 to 13.90% in 4Q2021, mainly due to the product mix effect. Gross profit increased from $0.03 million in 4Q2020 to $0.07 million in 4Q2021.

Other income

Other income decreased by $0.13 million, from $0.32 million in 4Q2020 to $0.19 million in 4Q2021, mainly due to government grant of $0.02 million received in 4Q2020. In addition, other income in 4Q2021 includes the contribution from rental of STPP plant of $0.05 million and sales of residual goods of $0.06 million.

Selling and distribution costs

Selling and distribution costs increased in line with the higher activity level.

General and administrative costs

General and administrative costs decreased by $0.48 million, from $1.48 million in 4Q2020 to $1.0 million in 4Q2021, mainly due to a decrease in legal fees and professional fees incurred in connection with the arbitration with the Chinese Government.

Finance costs

Finance costs increased by $0.04 million, from $0.13 million in 4Q2020 to $0.17 million in 4Q2021, mainly due to increased accrued interest in line with the increase of loans from the director and controlling shareholder for the working capital of the company.

Other expense

Other expenses decreased by $0.33 million, from $0.39 million in 4Q2020 to $0.06 million in 4Q2021, mainly due to allowance for impairment made for ROU in 4Q2020.

Balance sheet

Non-current assets

Non-current assets decreased by $5.94 million, from $17.78 million as at 31 December 2020 to $11.84 million as at 31 December 2021, mainly due to the reclassification of Phase 2 plant-related right-of-use asset and property, plant and equipment to asset of disposal group in the current assets.

Current assets

Stock decreased by $0.08 million, from $0.23 million as at 31 December 2020 to $0.15 million as at 31 December 2021, mainly due to meeting the shipment schedule and avoiding increase of sea freight in early 2022.

Other receivables and prepayments increased by $0.21 million, from $0.15 million as at 31 December 2020 to $0.36 million as at 31 December 2021, mainly due to deposit payment to the International Centre for Settlement of Investment Dispute (ICSID), relating to the pending arbitration against the Chinese Government.

Cash and bank balances increased by $2.03 million, from $0.85 million as at 31 December 2020 to $2.88 million as at 31 December 2021, mainly due to the receipt of part consideration relating to the disposal of Phase 2 plant.

Assets of disposal group decreased by $83.3 million, from $89.78 million as at 31 December 2020 to $6.48 million as at 31 December 2021, mainly due to the impairment of loss on the mining-related property, plant and equipment. The remaining asset of disposal group relate to Phase 2 assets as at 31 December 2021.

Current liabilities

Current liabilities decreased by $10.11 million, from $27.77 million as at 31 December 2020 to $17.66 million as at 31 December 2021, mainly due to write back of deferred tax liabilities of $16.38 million to liability of disposal group and mitigated by deposit received from the disposal of the Phase 2 plant, loan due to a director, loan due to a controlling shareholder. These were partially offset by the decrease in interest-bearing bank loans and provisions for taxation.

Trade payables increased by $0.003 million, from $0.054 million as at 31 December 2020 to $0.057 million as at 31 December 2021, mainly due to the outstanding payment to the creditor.

Other payables increased by $5.10 million, from $2.90 million as at 31 December 2020 to $8.0 million as at 31 December 2021, mainly due to receipt of RMB20.48 million (approximately $4.39 million), 65% of the consideration relating to the disposal of Phase 2 plant and general and administrative expenses incurred in 4Q2021.

Contract liabilities decreased by $0.07 million, from $0.34 million as at 31 December 2020 to $0.27 million as at 31 December 2021, mainly due to lower advance payments from the customers.

Loan due to a director increased by $0.88 million, from $0.91 million as at 31 December 2020 to $1.79 million as at 31 December 2021, mainly due to further advances from a director of the company and accrued interest.

Loan due to a controlling shareholder increased by $0.46 million, from Nil as at 31 December 2020 to $0.46 million as at 31 December 2021, mainly due to further advances from a controlling shareholder and accrued interest.

Liability of disposal group decreased by $16.34 million, from $17.19 million as at 31 December 2020 to $0.85 million as at 31 December 2021, mainly due to writeback of deferred tax liabilities in 2021 as it is no longer required since the Group recognised full impairment loss on the mining assets.

Interest-bearing bank loans decreased by $0.09 million, from $6.30 million as at 31 December 2020 to $6.21 million as at 31 December 2021, mainly due to the repayment of bank loan of RMB2.05 million (approximately $0.44 million). These were partially offset by the strengthening of RMB against the SGD.

Non-current liabilities

Non-current liabilities increased by $0.04 million, from $3.16 million as at 31 December 2020 to $3.20 million as at 31 December 2021,

Cash flow statement

Cash flow statement for 4Q2021

Operating loss before working capital changes was $0.71 milliom in 4Q2021, mainly due to legal and profeesional fee relating to arbitration. Net cash flow used in operating activities increased from $0.36 million to $1.99 million in 4Q2021, mainly due to payment for legal and professional fees.

Cash flows generated from investing activities was $4.38 million in 4Q2021 due to the deposit from disposal of Phase 2 plant, sales proceeds from the disposal of a motor vehicle and mitigated by purchase of office equipment.

Cash flows used in financing activities was $0.50 million in 4Q2021, mainly due to the repayment of a bank loan of $4.46 million and proceed and proceed from bank loan $4.04 million. As a result of the above, there was a net repayment of bank loan of $0.42 million and this was mitigated by loans from a director and a controlling shareholder amounting to $0.32 million.

As a result of the above, there was an net increase in cash and cash equivalents of $1.89 million in 4Q2021.

Cash flow statement for FY2021

Operating loss before working capital changes increased to $3.23 milliom in FY2021, mainly due to mainly due to legal and professional fee,. Net cash flow used in operating activities increased from $1.17 million to $3.17 million in FY2021, mainly due to payment of legal and professional fees.

Cash flows generated from investing activities was $4.24 million in FY2021, mainly due to the deposit from disposal of Phase 2 plant, proceed from the disposal of a motor vehicle. This was offset by purchase of office equipment.

Cash flows generated from financing activities was $0.85 million in FY2021, mainly due to the repayment of a bank loan of $6.45 million and proceed from bank loan of $6.02 million. As result of the above, net repayment of bank loan was $0.43 million and this was mitigated by loans from a director and a controlling shareholder amounting to $1.18 million.

As a result of the above, thre was a net increase in cash and cash equivalents of $1.92 million in FY2021

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

The Group's unaudited results is in line with the profit warning announcement on 22 February 2022.

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.

The Group is required to observe confidentiality in the pending investment arbitration. The Group is also mindful of its obligations under the Catalist Listing Rules, and will make the requisite announcements when there are material developments.

While the Chinese Government had been engaging the Group in dialogue, it is the Board's view that they have failed to provide any meaningful settlement proposal and is perceived as attempting to drag out the process. It looks increasingly unlikely that the Chinese Government will settle the dispute amicably and that recovery will be dependent on the decision of the Arbitral Tribunal. Accordingly, the Board has reassessed the Group's position and the accounting treatment of the mining assets presented as asset of disposal Group and recognised an impairment loss of $90 million .

SFRS(I)1-37 Provision, Contingent Liabilities and Contingent Assets does not allow Companies to recognise any contingent asset. Should the Group be successful in its arbitration claim for compensation, it can record the gain only when the amount is awarded by the arbitraL tribunal.

Trading conditions remain challenging and may be impacted by China's tough zero covid policy. Management continues to try to expand the geographical base of the Group's customers of downstream phosphate chemicals like STPP and STMP produced by our tenant and cooperation partner Lianyungang Zexin Food Ingredients Co Ltd.

Management is evaluating several proposals from parties interested in acquiring the phase 1 plant, which manufacture P_4. The Group's plant is newer compared to many other older and smaller P4 facilities which have been forced to stop production by the authorities. The P_4 market is a seller's market currently with the market prices of P_4 in the region of RMB39,000 per ton. Conditions are favourable for the Group to try to secure a sale of the Phase 1 plant. The discussions for Phase 1 plant is in progress but there is no certainty that an agreement can be reached.

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.

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 4Q2020 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.

In addition to the loan of $200,000 extended by Dr. Ong in August 2019, Dr. Ong has extended a loan of $150,000 in February 2020; $200,000 in June 2020; $200,000 in August 2020; $100,000 in November 2020; $100,000 in January 2021; $100,000 in February 2021; $100,000 in March 2021; $150,000 in June 2021; $100,000 in July 2021, $50,000 in August 2021 and another $150,000 in October 2021 to the Company. As at 31 December 2021, the loan from Dr. Ong amounted to $1,600,000. These loans are for the Company's working capital, are unsecured, repayable on demand and will bear interest at 8% per annum. From August 2019 to December 2021, interest on loans accrued to Dr. Ong amounted to $151,000.

Astute Ventures Pte Ltd, a controlling shareholder, has extended loans of $201,750 in April 2021; $211,120 in May 2021, and another $20,000 in September 2021. As at 31 December 2021, the loan from Astute Ventures Pte Ltd amounted to $432,870. These loans are for the Company's working capital, are unsecured, repayable on demand and will also bear interest at 8% per annum. From April 2021 to December 2021, interest on loans accrued to Astute Ventures Pte Ltd amounted to $28,800.

The Audit Committee had discussed the terms of the loans and is of the view that the loans are i) for the benefit of the Group; ii) on normal commercial terms; and iii) are 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 (1)	Not applicable
Astute Ventures Pte Ltd	Controlling shareholder	Nil (2)	Not applicable

Note:

(1) As explained in the previous paragraphs, Dr Ong has extended numerous loans during August 2019 – October 2021. As at the date of this announcement, the loans from Dr Ong amounted to $1,600,000. From August 2019 to December 2021, interest on loans accrued to Dr. Ong amounted to $151,000.

(2) As explained in the previous paragraphs, Astute Ventures Pte Ltd has extended numerous loans during April 2021 – September 2021. As at the date of this announcement, the loans from Astute Ventures Pte Ltd amounted to $432,870. From April 2021 to December 2021, interest on loans accrued to Astute Ventures Pte Ltd amounted to $28,800.

The loans are unsecured, repayable on demand and will bear interest at 8% per annum.

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14. 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.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

See paragraph 8.

16. A breakdown of sales as follows:

	Group		Increase/
	FY2021	FY2020	(decrease)
	$'000	$'000	%
a) Revenue			
i) from continuing operations			
- first half year	480	372	29
- second half year	793	474	67
	1,273	846	50
ii) from discontinued operation			
- first half year	-	-	-
- second half year	301	-	N.M
	301	-	N.M
Total	1,574	846	86
(b) Operating (loss)/profit after tax before deducting minority interests			
i) from continuing operations			
- first half year	(1,615)	(1,303)	24
- second half year	(2,812)	(2,486)	13
	(4,427)	(3,789)	17
ii) from discontinued operation			
- first half year	-	324	(100)
- second half year	(73,468)	300	N.M.
	(73,468)	624	N.M.
Total	(77,895)	(3,165)	2361

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

Not applicable – no dividend was declared in FY2021 and FY2020.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ong Hian Eng	74	(i) Uncle of Simon Ong.. (ii) Father-in-law of Jaime Chiew Chi Loong, Chief Risk Officer.	(i) Current Position: Chief Executive Officer and Executive Director. (ii) Duties: Responsible for overseeing the overall development of Group's corporate direction, policies and operations. (iii) Appointed since 3 January 2012.	Not applicable
Ong Eng Hock Simon ("Simon Ong")	57	(i) Nephew of Ong Hian Eng, CEO and executive director.	(i) Current Position: Non-executive director. (ii) Duties: Non-executive. (iii) Appointed since 1 July 2019.	Not applicable
Jaime Chiew Chi Loong	45	(i) Son-in-law of Ong Hian Eng, CEO and executive director.	(i) Current Position: Chief Risk Officer. (ii) Duties: primarily be responsible for overseeing the Group's risk management activities, budgeting process and monitoring of key performance indicators. (iii) Appointed since 2 September 2014.	Not applicable

On behalf of the Board,

Dr Ong Hian Eng
CEO and Executive Director

Ong Eng Hock Simon
Director

2 March 2022

*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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