
International Arbitration – Update

Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them in the Company's announcement dated 25 January 2024.

1. INTRODUCTION

On 21 February 2023, the Company announced that the International Arbitration Tribunal (the “Tribunal”) in a 2 to 1 majority decision, decided that Article 13(3) of the China-Singapore Bilateral Investment Treaty (1985) (the “Treaty”) does not afford jurisdiction over the Group’s expropriation claims and Article 4 of the Treaty does not afford jurisdiction over the Group’s remaining claims. The Tribunal’s jurisdictional ruling only applies to arbitration under the Treaty and did not address the merits of the claims. The Tribunal also ordered the Group to reimburse China the sums of USD0.28 million and RMB 6.35 million in legal costs related to the arbitration (the “**Legal Cost Award**”).

The dissenting arbitrator issued a strongly worded dissenting opinion criticising the majority’s analysis and jurisdictional ruling.

On 20 March 2023 the Group’s Swiss lawyers filed a petition to the Swiss Supreme Court seeking to *inter alia* set aside the Tribunal’s jurisdictional award and the legal costs awarded.

On 24 January 2024 the Group was informed by the Swiss Lawyers that the Swiss Supreme Court has turned down the appeal and ordered that it pay CHF250,000 compensation to China. This amount was settled from the security for cost remitted on 12 July 2023.

2. UPDATE

On 3 September 2024, the Group’s lawyers advised that the Chinese Government has signed and executed a settlement agreement (the “**Settlement Agreement**”) with the Company and its wholly owned subsidiary, Norwest Chemicals Pte Limited (“**NWC**”) to formalise the settlement of the Legal Cost Award.

Pursuant to the Settlement Agreement, the Company and NWC agree to pay the Chinese Government the total sum of RMB 8,378,760 (approximately S\$ 1.54 million) for the full settlement of the Legal Cost Award by electronic bank transfer not later than 15 business days after the Chinese Government delivers an executed copy of the settlement agreement. In addition, the Company and NWC, on behalf of ourselves and our direct and indirect subsidiaries, agree to release and discharge the Chinese Government, as well as all of its central and territorial divisions and organs, from all known and unknown claims for relief in international fora based on any and all measures, actions, or events that have transpired through the date of the Settlement Agreement.

In turn and in consideration, the Chinese Government, on behalf of itself and all of its central and territorial divisions and organs, agrees to release and discharge the Company and NWC, along with our direct and indirect subsidiaries, from all claims for payment pursuant to the Legal Cost Award as well as from all other known and unknown claims for relief based on any and all measures, actions, or events that have transpired through the date of the Settlement Agreement.

The Group has remitted RMB 8,000,000 to the Chinese Government as of 4 September 2024 and will remit the balance of RMB378,760 on 5 September 2024.

The settlement is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Group for the financial year ending 31 December 2024.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Settlement Agreement, 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.

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

Ong Eng Keong
Executive Director and CEO
AsiaPhos Limited

4 September 2024

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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