



ASIAPHOS LIMITED

Company Registration Number: 201200335G

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

Background

AsiaPhos Limited (the “**Company**”), and together with its subsidiaries, (the “**Group**”) was listed on the Catalist Board (the “**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 7 October 2013.

As disclosed in the Group’s announcements dated 24 November 2017, 30 November 2017, 4 December 2017, 9 February 2018, 10 April 2018, 22 June 2018, 29 August 2018, 31 August 2018, 15 November 2018, 20 December 2018, 8 May 2019, and 10 January 2020, the Group is currently in discussion with the Chinese Government on the Mianzhu City Government’s request for the Group to provide a letter of undertaking to, *inter alia*, vacate and rehabilitate its mining site in respect of Mine 2, the non-renewal of the Mine 1 mining and exploration licenses and the non-renewal of the Fengtai Mine exploration license.

Accordingly, the assets and directly associated liability of the mining assets were presented as assets of disposal group and liability directly associated with disposal group on the Group’s consolidated balance sheet. Arising thereon, the results of the Group’s upstream segment have been presented as discontinued operation on the Group’s consolidated statement of comprehensive income statement.



PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF RESULTS FOR FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Fourth Quarter Ended 31 December			Financial Year Ended 31 December		
	2019 \$'000	2018 \$'000	Change %	2019 \$'000	2018 \$'000	Change %
<u>Continuing operations</u>						
Revenue	411	272	51	1,019	21,528	(95)
Cost of sales	(327)	(144)	127	(806)	(20,653)	(96)
Gross profit	84	128	(34)	213	875	(76)
Other income	76	(65)	N.M.	351	167	110
Selling and distribution costs	(37)	(75)	(51)	(181)	(698)	(74)
General and administrative costs	(636)	(1,125)	(43)	(2,872)	(6,051)	(53)
Finance costs	(116)	(119)	(3)	(474)	(524)	(10)
Other expense	(1,565)	(6,225)	(75)	(1,565)	(7,759)	(80)
Profit/(loss) before tax, from continuing operations	(2,194)	(7,481)	(71)	(4,528)	(13,990)	(68)
Taxation	(68)	75	N.M.	(29)	84	N.M.
Profit/(loss) from continuing operations, net of tax	(2,262)	(7,406)	(69)	(4,557)	(13,906)	(67)
<u>Discontinued operation</u>						
Profit/(loss) from discontinued operation, net of tax	231	(146)	N.M.	168	(809)	N.M.
Profit/(loss) for the period	(2,031)	(7,552)	(73)	(4,389)	(14,715)	(70)
<u>Other comprehensive income</u>						
<u>Items that may be recycled to profit or loss</u>						
Foreign currency translation gain/(loss)	(175)	210	N.M.	(948)	(864)	10
Total comprehensive income for the period	(2,206)	(7,342)	(70)	(5,337)	(15,579)	(66)
<u>Net profit/(loss) for the period attributable to:</u>						
<u>Owners of the Company</u>						
Profit/(loss) from continuing operations, net of tax	(2,262)	(7,406)	(69)	(4,557)	(13,906)	(67)
Profit/(loss) from discontinued operation, net of tax	231	(146)	N.M.	168	(809)	N.M.
	(2,031)	(7,552)	(73)	(4,389)	(14,715)	(70)
<u>Non-controlling interest</u>						
Profit/(loss) from continuing operations, net of tax	-	-	-	-	-	-
Profit/(loss) from discontinued operation, net of tax	-	-	-	-	-	-
	-	-	-	-	-	-
Profit/(loss) for the period	(2,031)	(7,552)	(73)	(4,389)	(14,715)	(70)
Total comprehensive income for the period attributable to:						
Owners of the Company	(2,206)	(7,342)	(70)	(5,337)	(15,579)	(66)
Non-controlling interest	-	-	-	-	-	-
	(2,206)	(7,342)	(70)	(5,337)	(15,579)	(66)
<u>Attributable to owners of the Company</u>						
Total comprehensive income for the period from continuing operations	(2,437)	(7,196)	(66)	(5,505)	(14,770)	(63)
Total comprehensive income for the period from discontinued operation	231	(146)	N.M.	168	(809)	N.M.
	(2,206)	(7,342)	(70)	(5,337)	(15,579)	(66)

"N.M." denotes not meaningful.



Foreign currency translation gain/(loss) represents exchange differences arising from 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 2019 (“4Q2019”), the Group recorded translation loss of \$0.2 million due to weakening of RMB against SGD.

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

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		
	2019	2018	Change	2019	2018	Change
\$'000	\$'000	%	\$'000	\$'000	%	
Interest income	5	-	100	12	8	50
Gains on financial asset held for trading	-	-	-	-	2	(100)
Interest expenses						
- continuing operations	(124)	(113)	10	(456)	(458)	(0)
- discontinued operation	-	(16)	(100)	-	(64)	(100)
Amortisation and depreciation						
- continuing operations #	(184)	(188)	(2)	(644)	(575)	12
Provision for doubtful debts (made)/written back						
- continuing operations *	(3)	(6)	(50)	(2)	(22)	(91)
- discontinued operation	267	-	100	338	(1,173)	N.M.
Inventories written down to realisable value *	(72)	(17)	324	(72)	(1,364)	(95)
Stock take gain						
- continuing operations *	(96)	(15)	540	2	(15)	N.M.
- discontinued operation	-	69	100	-	677	100
Provision made for impairment on property, plant and equipment	(1,564)	(6,220)	(75)	(1,564)	(7,658)	(80)
Staff termination costs						
- continuing operations *	-	(436)	(100)	(321)	(551)	(42)
- discontinued operation	-	-	-	-	(21)	(100)
(Loss)/gain on disposal of property, plant and equipment	4	-	-	49	(94)	N.M.
Loss on deregistration of a subsidiary	-	-	-	###	-	N.M.
Foreign exchange gain/(loss) *	54	40	35	238	170	40
Over/(under)provision of prior years' taxation	(45)	-	100	(45)	8	N.M.

“N.M.” denotes not meaningful.

“*” Included in general and administrative costs

“##” Included in selling and distribution costs and general and administrative costs

“###” denotes amounts less than \$1,000. The Group deregistered a dormant wholly-owned subsidiary, Deyang Xin Zhong Lian He Technical Consulting Co., Ltd, and had to recognise a loss of less than \$1,000.



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at		As at	
	31 December 2019 \$'000	31 December 2018 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Non-current assets				
Land use rights	-	4,163	-	-
Right-of-use asset	4,519	-	-	-
Property, plant and equipment	13,501	16,007	-	-
Prepayments	159	679	-	-
Other receivables	34	34	-	-
Investment in subsidiaries	-	-	45,449	78,036
	18,213	20,883	45,449	78,036
Current assets				
Stocks	80	441	-	-
Trade receivables	40	99	-	-
Other receivables and prepayments	393	749	40	112
Cash and bank balances	881	2,455	67	413
Assets of disposal group	89,196	89,795	-	-
Amounts due from subsidiaries	-	-	52	5,667
	90,590	93,539	159	6,192
Total assets	108,803	114,422	45,608	84,228
Current liabilities				
Trade payables	67	73	-	-
Other payables	2,740	2,800	440	361
Advance payments from customers	209	93	-	-
Interest-bearing bank loans	6,004	6,306	-	-
Provision for taxation	45	-	-	-
Lease liability	66	-	-	-
Liability of disposal group	769	795	-	-
Amounts due to subsidiaries	-	-	2,696	2,232
	9,900	10,067	3,136	2,593
Net current assets/(liabilities)	80,690	83,472	(2,977)	3,599
Non-current liabilities				
Deferred tax liabilities	17,245	17,287	-	-
Deferred income	1,882	1,945	-	-
Provision for reinstatement cost	45	45	-	-
	19,172	19,277	-	-
Total liabilities	29,072	29,344	3,136	2,593
Net assets	79,731	85,078	42,472	81,635
Equity attributable to owners of the Company				
Share capital	78,283	78,283	78,283	78,283
Reserves	(8,015)	(2,668)	(35,811)	3,352
	70,268	75,615	42,472	81,635
Non-controlling interest	9,463	9,463	-	-
Total equity	79,731	85,078	42,472	81,635

(1)(b)(ii) 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 2019		31 December 2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable				
In one year or less, or on demand	6,004	-	6,306	-
After one year	-	-	-	-
	<u>6,004</u>	<u>-</u>	<u>6,306</u>	<u>-</u>

Details of collaterals

As at 31 December 2019, the Group pledged certain right-of-use asset and certain property, plant and equipment of the Group, with net book value of RMB20.4 million (approximately \$3.9 million) and RMB73.0 million (approximately \$14.1 million) respectively, as collaterals. At 31 December 2019, an amount of RMB1.5 million (approximately \$0.3 million) included in the cash and bank balances can only be used for payment of interest on a bank loan.

As at 31 December 2019, the Company has also provided a corporate guarantee for a bank loan of RMB21.1 million (approximately \$4.1 million).

As at 31 December 2018, the Group pledged land use rights and certain property, plant and equipment of the Group, with net book value of RMB20.8 million (approximately \$4.2 million) and RMB82.6 million (approximately \$16.5 million) respectively, as collaterals. At 31 December 2018, an amount of RMB1.5 million (approximately \$0.3 million) included in the cash and bank balances can only be used for payment of interest on a bank loan.

As at 31 December 2018, the Company has also provided a corporate guarantee for a bank loan of RMB21.6 million (approximately \$4.4 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities :				
Profit/(loss) before taxation				
- continuing operations	(2,194)	(7,481)	(4,528)	(13,990)
- discontinued operation	231	(146)	168	(809)
Profit/(loss) before taxation, total	(1,963)	(7,627)	(4,360)	(14,799)
Adjustments for :				
Depreciation expenses	151	161	542	959
Loss/(gain) on disposal of property, plant and equipment	(4)	-	(49)	94
Amortisation expenses	33	23	102	94
Interest expense (Note (a))	124	129	456	522
Interest income	(5)	-	(12)	(8)
Unrealised exchange loss/(gain)	(56)	(82)	(251)	(251)
Adjustments to stocks	72	17	72	1,364
Provision for doubtful debts	(264)	23	(336)	1,195
Provision made/(reversed) for impairment on property, plant and equipment	1,564	6,220	1,564	7,658
Gains on financial asset held for trading	-	-	-	(2)
Loss on deregistration of a subsidiary	-	-	##	-
Government grant	-	-	-	(31)
Amortisation of deferred income	-	-	-	(40)
Operating profit/(loss) before working capital changes	(348)	(1,136)	(2,272)	(3,245)
(Increase)/decrease in stocks	217	184	282	10,256
(Increase)/decrease in receivables	576	1,903	781	1,507
Increase/(decrease) in payables	10	(731)	(145)	(6,979)
Cash generated from/(used in) operations	455	220	(1,354)	1,539
Interest received	5	-	12	8
Interest paid (Note (a))	(117)	(129)	(449)	(522)
Tax received/(paid)	3	-	-	(718)
Net cash flows generated from/(used in) operating activities	346	91	(1,791)	307
Cash flows from investing activities :				
Payments for property, plant and equipment	-	-	-	(5)
Receipt of government grant	-	-	-	31
Proceeds from sale of financial asset held for trading	-	-	-	398
Proceeds from disposal of property, plant and equipment	3	-	65	47
Proceeds from refund of mining deposits (Note (b))	-	-	205	-
Increase in restricted deposits (Note (b))	(3)	-	(208)	-
Net cash flows generated by/(used in) investing activities	-	-	62	471
Cash flows from financing activities :				
Repayment of bank loan	(4,227)	(4,791)	(6,240)	(6,929)
Proceeds from bank loan	4,128	4,348	6,141	6,432
(Increase)/decrease in pledged deposits (Note (a))	(217)	(308)	11	713
Payments of lease liability	(32)	-	(124)	-
Loan from a director	-	-	200	-
Net cash flows generated from/(used in) financing activities	(348)	(751)	(12)	216
Net increase/(decrease) in cash and cash equivalents	(2)	(660)	(1,741)	994
Cash and cash equivalents at beginning of period	406	2,772	2,153	1,182
Effects of exchange rate changes on cash and cash equivalents	(8)	41	(16)	(23)
Cash and cash equivalents at end of period	396	2,153	396	2,153

“###” denotes amounts less than \$1,000. The Group deregistered a dormant wholly-owned subsidiary, Deyang Xin Zhong Lian He Technical Consulting Co., Ltd, and had to recognise a loss of less than \$1,000.

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	
	2019	2018
	\$'000	\$'000
Cash and bank balances	881	2,455
Less : pledged deposits for bank loans (Note (a))	(281)	(302)
Less : restricted use of mining deposits (Note (b))	(204)	-
Cash and cash equivalents at end of period	<u>396</u>	<u>2,153</u>

Note (a): Included in the interest expense in 4Q2019 and financial year ended 31 December 2019 (“FY2019”) was an amount of \$73,000 and \$301,000, respectively, paid via deduction from a specific bank account. The amount in the specific bank account can only be used for payment of interest on a bank loan.

Note (b): During 3Q2019, 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.



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital \$'000	Merger reserve \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Safety fund surplus reserve \$'000	Total reserves \$'000	Non-controlling interest \$'000	Total equity \$'000
2019								
Balance at 1 January 2019	78,283	850	(5,687)	619	1,550	(2,668)	9,463	85,078
Impact on adoption of SFRS(I) 16	-	-	(10)	-	-	(10)	-	(10)
Balance at 1 January 2019, restated	78,283	850	(5,697)	619	1,550	(2,678)	9,463	85,068
Total comprehensive income for the period	-	-	(1,115)	255	-	(860)	-	(860)
Balance at 31 March 2019	78,283	850	(6,812)	874	1,550	(3,538)	9,463	84,208
Total comprehensive income for the period	-	-	(953)	(704)	-	(1,657)	-	(1,657)
Balance at 30 June 2019	78,283	850	(7,765)	170	1,550	(5,195)	9,463	82,551
Total comprehensive income for the period	-	-	(290)	(324)	-	(614)	-	(614)
Balance at 30 September 2019	78,283	850	(8,055)	(154)	1,550	(5,809)	9,463	81,937
Total comprehensive income for the period	-	-	(2,031)	(175)	-	(2,206)	-	(2,206)
Balance at 31 December 2019	78,283	850	(10,086)	(329)	1,550	(8,015)	9,463	79,731
2018								
Balance at 1 January 2018	78,283	850	9,569	1,483	1,018	12,920	9,463	100,666
Impact on adoption of SFRS(I) 9	-	-	(9)	-	-	(9)	-	(9)
Balance at 1 January 2018, restated	78,283	850	9,560	1,483	1,018	12,911	9,463	100,657
Total comprehensive income for the period	-	-	(733)	791	-	58	-	58
Transfer to safety fund surplus reserve	-	-	(234)	-	234	-	-	-
Utilisation of safety fund surplus reserve	-	-	7	-	(7)	-	-	-
Balance at 31 March 2018	78,283	850	8,600	2,274	1,245	12,969	9,463	100,715
Total comprehensive income for the period	-	-	(4,869)	(358)	-	(5,227)	-	(5,227)
Transfer to safety fund surplus reserve	-	-	(234)	-	234	-	-	-
Utilisation of safety fund surplus reserve	-	-	9	-	(9)	-	-	-
Balance at 30 June 2018	78,283	850	3,506	1,916	1,470	7,742	9,463	95,488
Total comprehensive income for the period	-	-	(1,561)	(1,507)	-	(3,068)	-	(3,068)
Transfer to safety fund surplus reserve	-	-	(38)	-	38	-	-	-
Utilisation of safety fund surplus reserve	-	-	1	-	(1)	-	-	-
Balance at 30 September 2018	78,283	850	1,908	409	1,507	4,674	9,463	92,420
Total comprehensive income for the period	-	-	(7,552)	210	-	(7,342)	-	(7,342)
Transfer to safety fund surplus reserve	-	-	(45)	-	45	-	-	-
Utilisation of safety fund surplus reserve	-	-	2	-	(2)	-	-	-
Balance at 31 December 2018	78,283	850	(5,687)	619	1,550	(2,668)	9,463	85,078



Company	Share capital \$'000	Retained earnings \$'000	Total reserves \$'000	Total equity \$'000
2019				
Balance at 1 January 2019	78,283	3,352	3,352	81,635
Total comprehensive income for the period	-	(369)	(369)	(369)
Balance at 31 March 2019	78,283	2,983	2,983	81,266
Total comprehensive income for the period	-	(357)	(357)	(357)
Balance at 30 June 2019	78,283	2,626	2,626	80,909
Total comprehensive income for the period	-	(157)	(157)	(157)
Balance at 30 September 2019	78,283	2,469	2,469	80,752
Total comprehensive income for the period	-	(38,280)	(38,280)	(38,280)
Balance at 31 December 2019	78,283	(35,811)	(35,811)	42,472
2018				
Balance at 1 January 2018	78,283	4,799	4,799	83,082
Total comprehensive income for the period	-	(343)	(343)	(343)
Balance at 31 March 2018	78,283	4,456	4,456	82,739
Total comprehensive income for the period	-	(449)	(449)	(449)
Balance at 30 June 2018	78,283	4,007	4,007	82,290
Total comprehensive income for the period	-	(37)	(37)	(37)
Balance at 30 September 2018	78,283	3,970	3,970	82,253
Total comprehensive income for the period	-	(618)	(618)	(618)
Balance at 31 December 2018	78,283	3,352	3,352	81,635

1(d)(ii) 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 30 September 2019 and 31 December 2019, the number of issued ordinary shares of the Company ("**Shares**") (excluding treasury shares) was 1,031,524,685.

As at 31 December 2018 and 31 December 2019, the Company had 95,124,065 outstanding warrants, exercisable into 95,124,065 new Shares, representing approximately 9.22% of the total number of Shares (excluding treasury shares).

As at 31 December 2018 and 31 December 2019, the Company did not hold any treasury shares and there were no subsidiary holdings.

1(d)(iii) 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 2019	31 December 2018
Total number of issued shares (excluding treasury shares)	1,031,524,685	1,031,524,685

1(d)(iv) 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(d)(v) 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 2018, 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 the Chinese Government has yet to finalise the compensation for the Mining Assets and negotiations are still ongoing, significant uncertainty continues to exist in the appropriateness of the discontinued operation in the statement of comprehensive income and the carrying values of the assets and liability of disposal group in the balance sheet as at 31 December 2019.

ii) Impairment of investment in subsidiaries and amounts due from subsidiaries

Update:

Significant uncertainties continue to exist with respect to the outcome of the settlement negotiations with the Chinese Government. The recoverable amounts of the investment in subsidiaries are dependent on the outcome of the settlement negotiations.



- iii) Recoverable amount of property, plant and equipment
Update:
Using independent valuation reports prepared in 2019 by an independent Chinese professional valuer engaged by one of the Group's bankers, the Group recorded additional impairment charge of \$2.18 million on the P₄ plant in FY2019.

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 2018.

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.

SFRS(I) 16 Leases

SFRS(I) 16 *Leases* requires lessees to recognise most leases on balance sheets. SFRS(I) 16 requires recognition of a liability for lease payments (i.e. lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) at the commencement date of the lease. Lessees are required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset during the lease term. The Group also applied the exemption not to recognise right-of-use asset and lease liability for lease for which the lease term ends within 12 months as of 1 January 2019.

Prior to adoption of SFRS(I) 16, the Group recognises lease payments as rental expenses for its leases previously classified as operating leases.

On the required effective date of SFRS(I)16, the Group and the Company adopted SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application (1 January 2019). Accordingly, the Group recognised right-of-use asset and lease liability of \$0.2 million and \$0.2 million, respectively, on its balance sheet, and cumulative adjustment of \$10,000 in retained earnings as at 1 January 2019 upon the adoption of SFRS(I) 16.

The Group also presented land use rights as right-of-use assets as of 1 January 2019.



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	
	2019	2018	2019	2018
Earnings/(loss) attributable to owners of the Company used in the computation of basic earnings per share (\$'000)				
- from continuing operations	(2,262)	(7,406)	(4,557)	(13,906)
- from discontinued operation	231	(146)	168	(809)
	<u>(2,031)</u>	<u>(7,552)</u>	<u>(4,389)</u>	<u>(14,715)</u>
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	(0.22)	(0.72)	(0.44)	(1.35)
- from discontinued operation	0.02	(0.01)	0.02	(0.08)
	<u>(0.20)</u>	<u>(0.73)</u>	<u>(0.43)</u>	<u>(1.43)</u>

The dilutive instruments were anti-dilutive in 4Q2019, FY2019, fourth quarter ended 31 December 2018 (“**4Q2018**”), FY2018 as the Group were in loss making positions and the warrants were not in the money.

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 2019	31 December 2018	31 December 2019	31 December 2018
Net asset value (\$'000)	79,731	85,078	42,472	81,635
Number of ordinary shares ('000)	1,031,525	1,031,525	1,031,525	1,031,525
Net asset value per ordinary share (cents)	<u>7.73</u>	<u>8.25</u>	<u>4.12</u>	<u>7.91</u>

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 (“**P₄**”), sodium tripolyphosphate (“**STPP**”) and sodium hexametaphosphate (“**SHMP**”); the sale of P₄ 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 from continuing operations increased by \$0.14 million, from \$0.27 million in 4Q2018 to \$0.41 million in 4Q2019, due to contribution from sale of sodium trimetaphosphate (“STMP”) to India and the Middle East. The Group sold 177 tonnes of STMP in 4Q2019. There were no STMP sold in 4Q2018. The increase was partially offset by reduction in contribution from STPP and P₄ in 4Q2019. Sales of STPP were affected by US tariffs. The Group sold 76 tonnes of STPP in 4Q2019 as compared to 281 tonnes in 4Q2018. In 4Q2018, the Group sold 5 tonnes of P₄. There were no P₄ sold in 4Q2019 as the Group depleted its P₄ inventory.

Cost of goods sold for continuing operations increased by \$0.19 million, from \$0.14 million in 4Q2018 to \$0.33 million in 4Q2019.

Gross profit from continuing operations decreased from \$0.13 million in 4Q2018 to \$0.08 million in 4Q2019, mainly due to different mix of products sold in the two periods.

Other income

Other income increased by \$0.15 million, from loss of \$0.07 million in 4Q2018 to profit of \$0.08 million in 4Q2019 mainly due to increase in interest income in 4Q2019 and gains on sale of excess raw materials in 4Q2019, as compared to net loss from sale of excess raw materials of \$0.07 million in 4Q2018. In addition, other income in 4Q2019 includes the contribution from rental of the STPP plant. There were no such income in 4Q2018.

Selling and distribution costs

Selling and distribution costs decreased by \$0.04 million, from \$0.08 million in 4Q2018 to \$0.04 million in 4Q2019 due to lower transportation related costs in 4Q2019 as a result of the absence of P₄ sales and reduction in expenses due to smaller operation size.



General and administrative costs

General and administrative costs decreased by \$0.49 million, from \$1.13 million in 4Q2018 to \$0.64 million in 4Q2019, mainly due to reduction in general operation expenses, including salaries and staff related costs, professional fees and other administrative expenses as the Group downsized its operations.

The reductions were partially offset by increase in adjustments made in 4Q2019 for allowance for stocks obsolescence and stock take losses.

Finance costs

Finance costs remained at \$0.12 million in 4Q2019 and 4Q2018.

Other expense

Other expense decreased by \$4.66 million, from \$6.23 million in 4Q2018 to \$1.57 million in 4Q2019, mainly due to reduction in allowance for impairment made for property, plant and equipment. Allowance for impairment made for P₄ plant was \$2.18 million in 4Q2019, as compared to allowance of \$3.78 million made in 4Q2018 as a result of lower allowance made for P₄ plant and equipment. The value of plant and equipment related to P₄ was written down based on values estimated by independent valuers engaged by Bohai Bank.

In addition, there was a write back of allowance for impairment for STPP plant and equipment of \$0.61 million, as compared to allowance of \$2.44 million made in 4Q2018. The write back of allowance for impairment was computed on based estimated recoverable amount from rental of the STPP plant.

Tax expense

Tax expense of \$0.07 million in 4Q2019 mainly arose due to recognition of deferred tax liability arising from unremitted foreign-sourced income.

Discontinued operation

Profit from discontinued operation increased by \$0.38 million, from loss of \$0.15 million in 4Q2018 to profit of \$0.23 million in 4Q2019, mainly due to write back of allowance for doubtful debts in 4Q2019 as the Group received partial repayment (RMB2.0 million) from an outstanding receivable which had been fully provided for previously. The write back was partially offset by allowance for doubtful debts made in 4Q2019 for certain prepayments and receivables pertaining to mining operators.

The above increase was partially offset by absence of contributions from rocks sales in 4Q2019. The Group sold 1,900 tonnes of powder phosphate rocks in 4Q2018.



Balance sheet

Non-current assets

Non-current assets decreased by \$2.67 million, from \$20.88 million as at 31 December 2018 to \$18.21 million as at 31 December 2019, mainly due to depreciation and disposal of property plant and equipment, and allowance for impairment made on P₄ plant. The value of plant and equipment related to P₄ was written down based on values estimated by independent valuers engaged by Bohai Bank. The decrease was partially offset by a write back of allowance for impairment for STPP plant and equipment. The write back of allowance for impairment was computed on based estimated recoverable amount from rental of the STPP plant.

During the year, the Group received the land use right to the Hanwang Land. Accordingly, the cost of the land use right was reclassified from prepayments to right-of-use asset.

Current assets

Current assets decreased by \$2.95 million, from \$93.54 million as at 31 December 2018 to \$90.59 million as at 31 December 2019 mainly due to decreases in stocks, trade and other receivables, prepayments, cash and bank balances and assets of disposal group. Reduction in cash and bank balances was due to payments made in FY2019.

Reduction in stocks mainly due to sales of inventories and adjustments made for allowance for stocks obsolescence and stock take losses. Reduction in other receivables and prepayments mainly due to lesser receivables and prepayments in 2019 as a result of smaller operation size and allowance for doubtful debts made for certain prepayments and receivables pertaining to mining operators.

In 3Q2019, the PRC government returned deposits in respect of the Group's rehabilitation obligations for its mines. These deposits were previously included in "assets of disposal group". The PRC government 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. Accordingly, as at 31 December 2019, the amounts were included in cash and bank balances on the balance sheet.

Current liabilities

Current liabilities decreased by \$0.17 million, from \$10.07 million as at 31 December 2018 to \$9.90 million as at 31 December 2019, mainly due to reduction in interest bearing bank loans and other payables due to payments made and liability of disposal group due to weakening of RMB against SGD.

The decreases were partially offset by recognition of the current portion of lease liability in accordance with SFRS(I) 16 and increase in advance payments received from customers.

Non-current liabilities

Non-current liabilities decreased by \$0.11 million, from \$19.28 million as at 31 December 2018 to \$19.17 million as at 31 December 2019 mainly due to decrease in deferred tax liabilities and



deferred income resulting from the weakening of RMB against SGD. The decrease in deferred tax liabilities was partially offset by recognition of tax liabilities arising from unremitted foreign sourced income.

Cash flow statement

Operating loss before working capital changes was \$0.35 million in 4Q2019. Cash inflow due to changes in working capital was \$0.80 million mainly due to decrease in receivables and stocks and increase in payables. Payments for interest expense in 4Q2019 amounted to \$0.12 million. The above contributed to net cash flows generated from operating activities of \$0.35 million in 4Q2019.

Cash flows used in financing activities of \$0.35 million in 4Q2019 were mainly due to partial repayment of bank loan, increase in pledged deposit used solely for payment of interest expense and payments of lease liability.

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

Not applicable.

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's lawyers have sent a reminder to the Chinese Government but it has yet to receive any response to its proposal in relation to the appointment of independent expert, including his terms of reference to conduct an independent valuation of the Company's claims against the Chinese Government. In addition, the Group has asked the Singapore Government for assistance in raising this issue with the Chinese Government.

The Chinese Government has not given management any further proposal to settle the investment dispute but has informed the Group's lawyers that they will check with the Sichuan Government on the status of their internal discussion. However, due to the Covid 19 outbreak in China, they have not provided any update to the Group's lawyers.

No adjustments have been made to the carrying value of the assets and liabilities of the disposal group as the recoverable amount will be dependent on the finalisation of compensation when either negotiation or arbitration is concluded.

The Company will make an announcement as and when there are material developments on this matter.

Based on information available to the Group, the SOE customer, whom the Group entered into a settlement agreement with, will be resuming mining in first half of 2020. This development hopefully will result in the outstanding receivable due from the said customer be settled and phosphate rocks be available for the economic production of P₄.



In FY2019, the Group received RMB2.5 million out of the outstanding balance of RMB5.6 million. A further RMB2 million was received in the form of bill receivables in February 2020. The write back of allowance for the RMB2 million received in February 2020 will be recognised based on the maturity dates of the bill receivable or, when the bills are redeemed, whichever is earlier. The Group expects to recognise the write back by third quarter ending 30 September 2020.

As part of the settlement agreement with the SOE customer, the Group is entitled to charge interest at 6% per annum, from 23 March 2018 to the date of payment of last installment. The Group has not recognise any of the interest income in accordance with SFRS(I) 9, where the interest income on credit-impaired asset can only be recognised when the asset shows signs that it is no longer impaired. The SOE customer has asked for additional time to make payments on the remaining amount and Management is in discussions with the Group's lawyers for advice on how to respond to such a request. The interest income will be recognise when the SOE customer shows signs of being able to pay the remaining balance and the interest. Nonetheless, the Group remains committed to recover the entire remaining amount and the entitled interest.

Management is building up the downstream phosphate chemical business but the Covid 19 outbreak has made conditions challenging. With the conclusion of the phase 1 trade agreement between USA and China, the Management will work towards increasing the sales of phosphate chemicals to companies in USA. Management will follow the development closely and will provide updates as and when they arise.

Management is also exploring several opportunities for cooperation but they are in the preliminary stage and there is no certainty that any deal may materialise.

Barring unforeseen circumstances, the directors after taking into consideration the available cash resources, anticipated recoveries and fruition of the business plan which include *inter alia*, the possible sale of land, the availability of phosphate rocks for downstream processing, the sale of downstream phosphate chemicals, are of the view that the presentation of the financial statements on going concern assumption is appropriate.

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 4Q2019 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 above-mentioned 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.

Dr. Ong has extended a loan of \$200,000 to the Company in 3Q2019. The loan is unsecured, repayable on demand and will bear interest at 8% per annum. For 4Q2019, the interest accrued to Dr. Ong amount to \$6,000. In February 2020, Dr. Ong extended additional loan of \$150,000, on the same terms, to the Company.



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 Catalyst 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 Catalyst Listing Manual in accordance with Rule 720(1) of the Catalyst Listing Manual.

Part II Additional Information Required for Full Year Announcement

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

For management purposes, the Group is organised into product units and has two reportable segments as follows:

- a. upstream segment relates to our 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 our business of manufacturing, sale and trading of phosphate-based chemicals products such as P₄, STPP and SHMP; and the sale of by-products, such as slag, sludge and ferrophosphate; and other phosphate chemicals (the **"Downstream Segment"**).

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the financial statements. The Chief Operating Decision Maker does not monitor assets and liabilities by segments. The assets and liabilities are managed on a group basis. However, the information on additions to mine properties, land use rights and property, plant and equipment by operating segments is regularly provided to the Chief Operating Decision Maker.

	Upstream (discontinued)		Downstream		Adjustments and eliminations		Note	Total	
	FY2019 \$'000	FY2018 \$'000	FY2019 \$'000	FY2018 \$'000	FY2019 \$'000	FY2018 \$'000		FY2019 \$'000	FY2018 \$'000
Profit or loss									
Revenue - external	-	2,064	1,019	21,528	-	(2,064)	A, B	1,019	21,528
Gain/(loss) on disposal of property, plant and equipment	-	-	24	(94)	25	-	C	49	(94)
Depreciation and amortisation expenses	-	-	(644)	(823)	-	(230)	C	(644)	(1,053)
Interest income	-	-	-	-	12	8	C	12	8
Interest expense	-	(64)	-	-	(456)	(394)	B, C	(456)	(458)
Gains on financial asset held for trading	-	-	-	-	-	2	C	-	2
Termination of services of employees	-	(21)	(77)	(462)	(244)	(68)	B, C	(321)	(551)
Provision made for impairment on property, plant and equipment	-	-	(1,564)	(6,087)	-	(1,571)	C	(1,564)	(7,658)
Provision for doubtful debts (made)/written back	338	(1,173)	(2)	8	(338)	1,143	B, C	(2)	(22)
Segment profit/(loss) before tax	168	(809)	(1,929)	(8,449)	(2,767)	(4,732)	D	(4,528)	(13,990)
Assets									
Additions to non-current assets	-	-	-	-	-	50	E	-	50



Note Additional information and nature of adjustments and eliminations to arrive at amounts reported

- A There were 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 from discontinued operation, net of tax”.
- C Adjustments relate to unallocated corporate income and expenses.
- D The following items were added to segment profit/(loss) to arrive at “profit/(loss) before tax before continuing operations” presented in this announcement:

	Group	
	FY2019	FY2018
	\$'000	\$'000
Segment results of discontinued operation	(168)	809
Depreciation and amortisation	-	(230)
Exchange gain	238	170
Gain/(loss) on disposal of property, plant and equipment	25	-
Gains on financial asset held for trading	-	2
Government grant and subsidy income	-	51
Interest expense	(456)	(458)
Interest income	12	8
Provision made for impairment on property, plant and equipment	-	(1,571)
Termination of services of employees	(244)	(89)
Other corporate expenses	(2,174)	(3,424)
	<u>(2,767)</u>	<u>(4,732)</u>

- E Additions to non-current assets comprised of additions to property, plant and equipment.

Geographical information

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

	Group			
	FY2019		FY2018	
	Revenue	Non-current assets	Revenue	Non-current assets
	\$'000	\$'000	\$'000	\$'000
People's Republic of China	316	18,077	22,440	20,769
Singapore	-	136	-	114
India	386	-	-	-
United States of America	175	-	1,006	-
Others	142	-	146	-
	<u>1,019</u>	<u>18,213</u>	<u>23,592</u>	<u>20,883</u>
Less discontinued operation	-	-	(2,064)	-
	<u>1,019</u>	<u>18,213</u>	<u>21,528</u>	<u>20,883</u>

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			
	FY2019		FY2018	
	\$'000	% of revenue	\$'000	% of revenue
<u>Revenue</u>				
Customer A ⁽¹⁾	386	38%	-	-
Customer B ⁽¹⁾	175	17%	538	2%

(1) Downstream segment

Information about products

Revenue information based on products are as follows:

	Group	
	FY2019	FY2018
	\$'000	\$'000
P ₄ and its by-products	15	19,912
STPP	564	1,187
SHMP	88	104
STMP	352	281
Others *	-	44
Revenue from continuing operations	1,019	21,528
Revenue from discontinued operation	-	2,064
	1,019	23,592

* Others represents trading revenue from other phosphate chemicals.

16. **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.



17. A breakdown of sales as follows:

	Group		Increase/ (decrease) %
	FY2019 \$'000	FY2018 \$'000	
a) Revenue			
i) from continuing operations			
- first half year	284	21,017	(99)
- second half year	735	511	44
	1,019	21,528	(95)
ii) from discontinued operation			
- first half year	-	916	(100)
- second half year	-	1,148	(100)
	-	2,064	(100)
Total	1,019	23,592	(96)
(b) Operating (loss)/profit after tax before deducting minority interests			
i) from continuing operations			
- first half year	(1,916)	(4,676)	(59)
- second half year	(2,641)	(9,230)	(71)
	(4,557)	(13,906)	(67)
ii) from discontinued operation			
- first half year	(152)	(926)	(84)
- second half year	320	117	174
	168	(809)	N.M.
Total	(4,389)	(14,715)	(70)

18. 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 FY2019 and FY2018.

19. 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	72	(i) Uncle of Simon Ong, non-executive director; Raymond Ong, former non-executive director and Melissa Ong, Human Resource and Administration Manager. (ii) Father of Ong Bee Pheng, former non-executive director	(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.	Nil

		(ii) Father-in-law of Jaime Chiew Chi Loong, Chief Risk Officer.		
Ong Eng Hock Simon ("Simon Ong")	55	(i) Brother of Raymond Ong, former non-executive director and Melissa Ong, Human Resource and Administration Manager. (ii) Nephew of Ong Hian Eng, CEO and executive director. (iii) Cousin of Ong Bee Pheng, former non-executive director.	(i) Current Position: Non-executive director. (ii) Duties: Non-executive. (iii) Appointed since 1 July 2019.	Re-designated from executive director to non-executive director on 1 July 2019.
Ong Eng Siew Raymond ("Raymond Ong")	53	(i) Brother of Simon Ong, non-executive director and Melissa Ong, Human Resource and Administration Manager. (ii) Nephew of Ong Hian Eng, CEO and executive director. (iii) Cousin of Ong Bee Pheng, former non-executive director.	Not applicable.	Resigned on 3 May 2019.
Ong Bee Pheng	44	(i) Cousin of Raymond Ong, former non-executive director; and Simon Ong, non-executive director and Melissa Ong, Human Resource and Administration Manager. (ii) Daughter of Ong Hian Eng, CEO and executive director. (iii) Spouse of Jaime Chiew Chi Loong, Chief Risk Officer	Not applicable.	Resigned on 3 May 2019.
Jaime Chiew Chi Loong	43	(i) Spouse of Ong Bee Pheng, a non-executive director.	(i) Current Position: Chief Risk Officer.	Nil

		(ii) Son-in-law of Ong Hian Eng, CEO and executive director.	(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.	
Melissa Ong Bee Kuan	44	(i) Sister of Simon Ong, a non-executive director and Raymond Ong, former non-executive director. (ii) Niece of Ong Hian Eng, CEO and executive director. (iii) Cousin of Ong Bee Pheng, former non-executive director.	(i) Current Position: Human Resource and Administration Manager. (ii) Duties: human resource and general administration functions of the Group. (iii) Appointed since 4 March 2016.	Nil

On behalf of the Board,

Dr Ong Hian Eng
CEO and Executive Director
28 February 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 Catalist 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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