

ASIAPHOS

**ASIAPHOS LIMITED**

*Company Registration Number: 201200335G*

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**UNAUDITED CONDENSED FINANCIAL STATEMENTS ANNOUNCEMENT FOR FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

*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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## Table of contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income .....	3
B. Condensed interim statements of financial position.....	6
C. Condensed interim consolidated statement of cash flows .....	7
D. Condensed interim statements of changes in equity .....	9
E. Notes to the condensed interim consolidated financial statements .....	11
F. Other information required by Appendix 7C of the Catalist Rules .....	27



## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		Fourth Quarter Ended 31 December			Financial Year Ended 31 December		
		2023	2022	Change	2023	2022	Change
	\$'000	\$'000	%	\$'000	\$'000	%	
<b>Continuing operations</b>							
Revenue	E4	248	593	(58)	1,701	2,415	(30)
Cost of sales		(205)	(345)	(41)	(1,373)	(1,915)	(28)
Gross profit		43	248	(83)	328	500	(34)
Other income		426	2,409	(82)	950	2,813	(66)
Selling and distribution costs		(22)	(29)	(24)	(126)	(133)	(5)
General and administrative costs		(3,277)	(2,836)	16	(4,726)	(4,448)	6
Finance costs		(133)	(77)	73	(349)	(287)	22
Other expenses		(15)	(41)	(63)	(28)	(60)	(53)
<b>Profit/(loss) before tax, from continuing operations</b>		(2,978)	(326)	N.M.	(3,951)	(1,615)	N.M.
Taxation	E6	-	(99)	(100)	-	(99)	(100)
<b>Profit/(loss) from continuing operations, net of tax</b>		(2,978)	(425)	N.M.	(3,951)	(1,714)	N.M.
<b>Discontinued operation</b>							
<b>Profit/(loss) from discontinued operations, net of tax</b>	E9	5,598	1	N.M.	6,149	98	N.M.
<b>Profit/(loss) for the period/year</b>		2,620	(424)	N.M.	2,198	(1,616)	N.M.
<b>Other comprehensive income</b>							
Items that may not be recycled to profit or loss							
Foreign currency translation gain/(loss) *		(130)	(337)	(61)	(292)	(889)	(67)
<b>Total comprehensive profit/(loss) for the period/year</b>		2,490	(761)	N.M.	1,906	(2,505)	N.M.
<b>Net profit/(loss) for the period/year attributable to:</b>							
<b>Owners of the Company</b>							
- Continuing operations, net of tax		(2,978)	(423)	N.M.	(3,951)	(1,688)	N.M.
- Discontinued operation, net of tax		5,598	1	N.M.	6,149	98	N.M.
		2,620	(422)	N.M.	2,198	(1,590)	N.M.
<b>Non-controlling interest</b>							
- Continuing operations, net of tax		-	(2)	(100)	-	(26)	(100)
- Discontinued operation, net of tax		-	-	N.M.	-	-	N.M.
		-	(2)	(100)	-	(26)	(100)
<b>Profit/(loss) for the period/year</b>		2,620	(424)	N.M.	2,198	(1,616)	N.M.
<b>Total comprehensive profit/(loss) for the period/year attributable to:</b>							
<b>Owners of the Company</b>							
		2,489	(770)	N.M.	1,899	(2,504)	N.M.
Non-controlling interest		1	9	(89)	7	(1)	N.M.
<b>Total comprehensive profit/(loss) for the period/year</b>		2,490	(761)	N.M.	1,906	(2,505)	N.M.
<b>Attributable to owners of the Company</b>							
Total comprehensive profit/(loss) for the period/year from:							
- Continuing operations, net of tax *		(2,978)	(423)	N.M.	(3,951)	(1,688)	N.M.
- Discontinued operation, net of tax *		5,467	(347)	N.M.	5,850	(816)	N.M.
<b>Total comprehensive profit/(loss) for the period/year attributable to owners of the Company</b>		2,489	(770)	N.M.	1,899	(2,504)	N.M.

\* - Foreign currency translation gain/(loss) recognised as other comprehensive income was reclassified from continuing to discontinued operations.



## 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	
	2023	2022	2023	2022
<b>Earnings/(losses) per share</b>				
Earnings/(losses) per share for the period/year attributable to the owners of the Company:				
Basic earnings/(losses) per share (cents)				
- from continuing operations	(0.29)	(0.04)	(0.38)	(0.16)
- from discontinued operations	0.54	0.00	0.60	0.01
	0.25	(0.04)	0.22	(0.15)
Diluted earnings/(losses) per share (cents)				
- from continuing operations	(0.29)	(0.04)	(0.38)	(0.16)
- from discontinued operations	0.54	0.00	0.60	0.01
	0.25	(0.04)	0.22	(0.15)

N.M. - Not Meaningful

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

In the fourth quarter ended 31 December 2023 ("4Q2023"), the Group recorded a translation loss of \$0.13 million in other comprehensive income due to exchange rate fluctuations.



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

The Group's net profit/(loss) for the period/year was arrived at after (charging)/crediting the following:

	Group					
	Fourth Quarter Ended 31 December			Financial Year Ended 31 December		
	2023	2022	Change	2023	2022	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income						
- continuing operations #	-	11	(100)	1	13	(92)
- discontinued operations	4	15	(73)	4	151	(97)
Rental income						
- discontinued operations	381	3	N.M.	1,063	68	N.M.
Government grants						
- continuing operations #	-	10	(100)	-	23	(100)
Finance costs						
- continuing operations	(133)	(77)	73	(349)	(287)	22
- discontinued operations	(74)	(17)	N.M.	(205)	(121)	69
Write-off of inventories						
- continuing operations	(10)	-	N.M.	(23)	-	N.M.
Amortisation and depreciation *						
- continuing operations	(3)	(42)	(93)	(69)	(287)	(76)
Write-back of provision for legal fees *	-	-	N.M.	165	-	N.M.
Write-back of lease liabilities #	-	-	N.M.	90	-	N.M.
Write-back of/(provision for) impairment of other receivables	167	(8)	N.M.	167	(8)	N.M.
Write-back of provision for impairment of P4 assets						
- discontinued operations	4,092	-	N.M.	4,092	-	N.M.
Funding income for arbitration costs #	222	2,243	(90)	222	2,243	(90)
Foreign exchange gain #	70	67	5	460	445	3

N.M. - Not Meaningful

\* - Included in General and administrative costs

# - Included in Other income

## B. Condensed interim statements of financial position

	Note	Group		Company	
		As at		As at	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Right-of-use assets	E7	186	1,295	-	-
Property, plant and equipment	E8	27	8,983	-	-
Mine properties	E10	-	-	-	-
Goodwill	E11	-	-	-	-
Deferred tax assets		181	-	-	-
Other receivables and prepayments		10	8	-	-
Investment in subsidiaries		-	-	-	9,400
		404	10,286	-	9,400
<b>Current assets</b>					
Inventories		53	223	-	-
Trade receivables		51	72	50	72
Other receivables and prepayments	E5	534	636	50	78
Amount due from subsidiary		-	-	-	-
Cash and bank balances		865	757	61	81
		1,503	1,688	161	231
Assets of disposal group	E9	-	-	-	-
Non-current assets classified as held for sale	E13	19,512	5,805	-	-
		21,015	7,493	161	231
<b>Total Assets</b>		<b>21,419</b>	<b>17,779</b>	<b>161</b>	<b>9,631</b>
<b>EQUITY</b>					
Share capital	E15	78,283	78,283	78,283	78,283
Reserves	D	(75,493)	(77,392)	(85,437)	(74,627)
Equity attributable to owners of the Company		2,790	891	(7,154)	3,656
Non-controlling interest		(2,531)	(2,538)	-	-
Total equity		259	(1,647)	(7,154)	3,656
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities		-	1,117	-	-
Deferred grant income		1,812	1,869	-	-
Provision for reinstatement cost	E12	767	27	-	-
Lease liability		159	81	-	-
		2,738	3,094	-	-
<b>Current liabilities</b>					
Trade payables		49	244	-	-
Other payables	E5	8,177	9,136	1,737	305
Deferred rental income		1,189	-	-	-
Contract liabilities		16	303	-	-
Interest-bearing bank loans	E14	-	3,610	-	-
Loan due to a director		1,753	1,792	1,713	1,751
Loan due to a controlling shareholder		1,122	456	1,121	456
Lease liability		30	27	-	-
Amounts due to subsidiaries		-	-	2,744	3,463
		12,336	15,568	7,315	5,975
Liabilities of disposal group	E9	-	764	-	-
Liabilities associated with non-current assets classified as held for sale	E13	6,086	-	-	-
		18,422	16,332	7,315	5,975
<b>Total Liabilities</b>		<b>21,160</b>	<b>19,426</b>	<b>7,315</b>	<b>5,975</b>
<b>Total Equity and Liabilities</b>		<b>21,419</b>	<b>17,779</b>	<b>161</b>	<b>9,631</b>

## C. Condensed interim consolidated statement of cash flows

	Note	Group			
		Fourth Quarter Ended		Financial Year Ended	
		31 December		31 December	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities:</b>					
Profit/(loss) before taxation from:					
- continuing operations		(2,978)	(326)	(3,951)	(1,615)
- discontinued operations		4,399	1	4,950	98
Profit/(loss) before taxation		1,421	(325)	999	(1,517)
Adjustments for :					
Depreciation and amortisation expenses		3	42	69	287
Write-back of provision for legal fees		-	-	(165)	-
Write-back of overprovision for impairment of P4 assets		(4,092)	-	(4,092)	-
Write-off of inventories		10	-	23	-
Write-back of lease liabilities		-	-	(90)	-
Interest expense		207	94	554	408
(Write-back of)/provision for impairment of other receivables		(167)	8	(167)	8
Interest income		(4)	(26)	(5)	(164)
Rental income		(381)	(3)	(1,063)	(68)
Funding income for arbitration costs		(222)	(2,243)	(222)	(2,243)
Unrealised exchange (gain)/loss		(63)	(25)	(235)	(45)
Operating cash inflow/(outflow) before working capital changes		(3,288)	(2,478)	(4,394)	(3,334)
(Increase)/decrease in inventories		(44)	(189)	143	(82)
(Increase)/decrease in trade and other receivables		1,040	355	171	40
Increase/(decrease) in trade and other payables		1,790	357	1,691	(50)
Cash generated from/(used in) operations		(502)	(1,955)	(2,389)	(3,426)
Interest received		-	26	1	164
Tax paid		-	-	-	-
Net cash flows generated from/(used in) operating activities		(502)	(1,929)	(2,388)	(3,262)
<b>Cash flows from investing activities:</b>					
Payments for property, plant and equipment		-	(32)	(2)	(32)
Deposit and rent received on lease of P4 plant		-	-	2,305	-
Advanced sales consideration received from proposed disposal of Phase 2 Factory Assets		-	2,142	-	2,142
Tax paid on proposed disposal of Phase 2 Factory Assets		-	(272)	-	(272)
Net cash flows generated from/(used in) in investing activities		-	1,838	2,303	1,838
<b>Cash flows from financing activities:</b>					
Repayment of bank loan		(3,560)	(6,036)	(3,560)	(8,165)
Proceeds from bank loan		3,426	3,754	3,426	5,883
(Increase)/decrease in pledged deposits		(133)	(136)	51	43
Payments of lease liability		(7)	(7)	(27)	(25)
Interest paid		(74)	(94)	(263)	(408)
Drawdown/(repayment) of loan from a controlling shareholder		340	-	595	-
Drawdown/(repayment) of loan from a director		465	-	(180)	-
Funding income for arbitration costs received		222	2,235	222	2,235
Net cash flows generated from/(used in) financing activities		679	(284)	264	(437)
Net increase/(decrease) in cash and cash equivalents		177	(375)	179	(1,861)
Cash and cash equivalents at beginning of period/year		271	769	271	2,297
Effects of exchange rate changes on cash and cash equivalents		(5)	(123)	(7)	(165)
Cash and cash equivalents at end of period/year	C1	443	271	443	271

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

Note C1:

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude the following:

		Group	
		As at 31 December	
		2023	2022
		\$'000	\$'000
Cash and bank balances		865	757
Less: pledged deposits for bank loans		(224)	(282)
Less: restricted use of mining deposits		(198)	(204)
Cash and cash equivalents at end of period		443	271

The pledged deposits relate to amounts held in a specific bank account and earmarked for the payment of bank loan interests.

Mining deposits relate to amounts held in specific bank accounts the use of which is restricted until the rehabilitation of the Group's mines is completed.



## 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 attributable to owners of the Company \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>2023</b>								
Balance at 1 January 2023	78,283	850	(80,689)	897	1,550	891	(2,538)	(1,647)
Total comprehensive profit/(loss) for the period	-	-	(658)	134	-	(524)	7	(517)
Balance at 31 March 2023	78,283	850	(81,347)	1,031	1,550	367	(2,531)	(2,164)
Total comprehensive profit/(loss) for the period	-	-	274	(304)	-	(30)	-	(30)
Balance at 30 June 2023	78,283	850	(81,073)	727	1,550	337	(2,531)	(2,194)
Total comprehensive income for the period	-	-	(38)	2	-	(36)	(1)	(37)
Balance at 30 September 2023	78,283	850	(81,111)	729	1,550	301	(2,532)	(2,231)
Total comprehensive income for the period	-	-	2,620	(131)	-	2,489	1	2,490
Balance at 31 December 2023	78,283	850	(78,491)	598	1,550	2,790	(2,531)	259
<b>2022</b>								
Balance at 1 January 2022	78,283	850	(79,099)	1,811	1,550	3,395	(2,537)	858
Total comprehensive profit/(loss) for the period	-	-	(767)	152	-	(615)	(8)	(623)
Balance at 31 March 2022	78,283	850	(79,866)	1,963	1,550	2,780	(2,545)	235
Total comprehensive profit/(loss) for the period	-	-	(194)	(595)	-	(789)	3	(786)
Balance at 30 June 2022	78,283	850	(80,060)	1,368	1,550	1,991	(2,542)	(551)
Total comprehensive profit/(loss) for the period	-	-	(207)	(122)	-	(329)	(6)	(335)
Balance at 30 September 2022	78,283	850	(80,267)	1,246	1,550	1,662	(2,548)	(886)
Total comprehensive profit/(loss) for the period	-	-	(422)	(349)	-	(771)	10	(761)
Balance at 31 December 2022	78,283	850	(80,689)	897	1,550	891	(2,538)	(1,647)

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

Company	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>2023</b>			
Balance at 1 January 2023	78,283	(74,627)	3,656
Total comprehensive profit/(loss) for the period	-	(505)	(505)
Balance at 31 March 2023	78,283	(75,132)	3,151
Total comprehensive profit/(loss) for the period	-	2,061	2,061
Balance at 30 June 2023	78,283	(73,071)	5,212
Total comprehensive profit/(loss) for the period	-	(374)	(374)
Balance at 30 September 2023	78,283	(73,445)	4,838
Total comprehensive profit/(loss) for the period	-	(11,992)	(11,992)
Balance at 31 December 2023	78,283	(85,437)	(7,154)
<b>2022</b>			
Balance at 1 January 2022	78,283	(73,793)	4,490
Total comprehensive profit/(loss) for the period	-	(216)	(216)
Balance at 31 March 2022	78,283	(74,009)	4,274
Total comprehensive profit/(loss) for the period	-	(309)	(309)
Balance at 30 June 2022	78,283	(74,318)	3,965
Total comprehensive profit/(loss) for the period	-	(149)	(149)
Balance at 30 September 2022	78,283	(74,467)	3,816
Total comprehensive profit/(loss) for the period	-	(160)	(160)
Balance at 31 December 2022	78,283	(74,627)	3,656

## **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.

The Company’s registered office is located at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. The principal place of business is located at 22 Kallang Avenue, #03-02 Hong Aik Industrial Building, Singapore 339413.

These condensed interim financial statements comprised those of the Company and its subsidiaries (collectively the “Group”).

The principal activities of the Group were previously organised into product units and comprised of two reportable segments as follows:

(a) The upstream segment which comprised of the business of exploration, mining and sale of phosphate rocks; and

(b) The downstream segment which comprised of the business of manufacturing, sale and trading of phosphate chemical products such as Sodium Tripolyphosphate (“STPP”), Sodium Hexametaphosphate (“SHMP”) as well as other polyphosphate chemicals.

Following the cessation of the exploration, mining, production and sale of phosphate rocks and chemical products, the Group’s continuing activities comprised only that of the trading of phosphate chemical products and commodity products. Accordingly, the Group has included the trading of commodity products as another segment of its reportable operating activities.

### **2. Basis of preparation**

The condensed interim financial statements for the financial year ended 31 December 2023 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 2022.

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.

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 Dollars which is the Company’s functional currency and rounded to the nearest thousand (\$’000) unless otherwise stated.



## 2. Basis of preparation (cont'd)

### Going concern

The Group reported a net loss after tax of \$3.95 million in FY2023 (FY2022: \$1.71 million) from continuing operations, and a net profit after tax of \$6.15 million (FY2022: \$0.10 million) from discontinued operations. If the write-back of provision for impairment loss of \$4.09 million and the write-back of deferred tax liabilities recognized in prior years of \$1.20 million, both in relation to the P4 plant, were excluded, the Group would have reported a net profit after tax from discontinued operations of \$0.86 million in FY2023. On the overall, from both continuing and discontinued operations, the Group reported a net profit after tax of \$2.20 million (FY2022: loss of \$1.62 million), and reported net operating cash outflows of \$2.39 million in FY2023 (FY2022: \$3.26 million). Excluding non-current assets classified as held for sale and the associated liabilities, as well as the assets and liabilities of the disposal group, the Group's current liabilities exceeded its current assets by \$10.83 million as at 31 December 2023 (31 December 2022: \$13.88 million). The Company has accumulated losses of \$85.44 million as at 31 December 2023 (31 December 2022: \$74.63 million) and has a net current liability of \$7.15 million as at 31 December 2023 (31 December 2022: \$5.74 million). 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 and confirms 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 generates cash flows from its trading activities comprising phosphate chemical products and commodity products.
- (b) The Group will receive proceeds from the disposal of the P4 plant sufficient to settle its existing obligations, as well as fund its operations and future investment activities.

As announced on 22 March 2023, a wholly owned subsidiary, Sichuan Mianzhu Norwest Phosphate Co., Ltd. ("SMNPC") had entered into a Cooperation Agreement with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda"). Pursuant to the terms and provisions of the Cooperation Agreement, SMNPC has the right to transfer the P4 plant, including its corresponding liabilities, into a wholly owned subsidiary, which had been incorporated on 19 September 2023, under the name of Sichuan Rongdafeng Chemical Co. Ltd. ("Sichuan Rongdafeng").

On 29 January 2024, SMNPC entered into a Supplementary Cooperation Agreement II ("Agreement II") with Rongda. Pursuant to the terms and provisions of Agreement II, Rongda made a payment of RMB39.39 million on 8 February 2024 into an escrow account. SMNPC is to transfer the P4 plant, including the corresponding liabilities, into Sichuan Rongdafeng within 36 months from the effective date of Agreement II. SMNPC has a 36 month period to complete the transfer to Rongda.

SMNPC has the right to sell and Rongda is obligated to purchase the entire equity interest in the Sichuan Rongdafeng, in accordance with the terms and conditions in the Cooperation Agreement (the "Proposed Sale Option"). The Company's shareholders have approved the Proposed Lease, Proposed Sale Option, Proposed Disposal and Proposed Authorisation during the Extraordinary General Meeting held 29 April 2023. Please see the announcement dated 29 January 2024 for the details of Agreement II and the announcement dated 8 February 2024 for the latest update on this transaction.



## 2. Basis of preparation (cont'd)

(c) The Group does not have any external bank borrowings at at 31 December 2023 save for the bank loan from Bohai Bank amounting to RMB18.09 million (approximately \$3.37 million), which was secured against the P4 plant. The aforementioned bank loan had been fully repaid on 30 January 2024 utilising part of the proceeds received from Rongda on the sale of the P4 plant. Please see the announcement dated 30 January 2024 for more details.

The Group has not in the past defaulted on any of its bank loans. Barring unforeseen circumstances, the Board expects that the Group will be able to obtain requisite financing for its operations, where necessary.

(d) The completion of the disposal of SMNPC's Sodium Tripolyphosphate ("STPP") plant and the associated land use rights (collectively "Phase 2 Factory Assets") is pending the transfer of titles to the Buyer. As announced on 4 July 2023, further delays to the completion of the transaction are expected as the Mianzhu Land Management Bureau has requested additional information pertaining to Phase 2 Factory Assets. Both SMNPC and the Buyer are working to comply with the requirements promptly to expedite the process.

As at the date of this announcement and barring any unforeseen circumstances, the Company is not aware of any information which may cause the Buyer to withdraw from the transaction or may suggest that the transaction will not be completed.

(e) The Group's majority shareholders (being Dr Ong and Astute Ventures) have provided undertakings that they will not demand repayment of the loans provided by them and will continue to provide financial support including the capitalisation of shareholders' loans and other loan restructuring as may be needed to ensure that the Group is able to operate as a going concern for the next 12 months.

(f) As announced on 21 February 2023, the Group had received the arbitral tribunal's adverse ruling on its jurisdiction and the order to the Group to, inter alia, pay the sums of USD0.28 million (approximately \$0.37 million) and RMB6.35 million (approximately \$1.18 million) in legal costs to China. On 20 March 2023, a petition had been filed to the Swiss Supreme Court to, inter alia, set aside the Tribunal's jurisdictional award and the legal costs awarded. On 24 January 2024, the Group was informed that the Swiss Supreme Court had turned down the appeal and ordered the Group to reimburse China for the abovementioned legal costs. The cash received on the disposal of the P4 plant, as described in Note (b), is sufficient to fully settle these costs. Additionally, the Group had been ordered to pay CHF250,000 (approximately \$0.39 million) in compensation to China. This amount shall be settled from a security deposit remitted by the Group on 12 July 2023. Please see the announcement dated 25 January 2024 for the latest updates on the arbitration.

## **2. Basis of preparation (cont'd)**

(g) As announced on 9 October 2023, a subsidiary of the Company, AP New Energy Pte. Ltd. (“APNE”), had entered into a term sheet in respect of the proposed acquisition of the entire issued and paid-up share capital of Global Resources SP (Taiwan) Co. Ltd. (“GRTW”). The proposed acquisition will enable the Group to diversify from its current phosphate mining and processing business, and expand into the renewable energy sector. The Board is of the view that the strategic expansion is likely to bring long-term, sustainable growth to the Group, hence enhancing shareholder value. The proposed acquisition will be funded by a fundraising exercise. Please refer to the announcements, inter alia, dated 28 February 2024 for the latest updates on the proposed acquisition.

The Board confirmed that, save for the confidentiality provision in the agreement with the US based Fund, all material disclosures, facts and information (including but not limited to disclosures pertaining to material operations and business of the Group and the going concern assumption) have been provided and announced for the trading of the Company’s shares to continue and are not aware of any facts the omission of which would make any statement misleading. As a result, the 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.

(h) The Board will explore possibilities of fund raising.

### **2.1. New and amended standards adopted by the Group**

The Group has applied the same accounting policies for the current reporting year consistent with those of the previous financial year except for the adoption of new or revised standards that are effective for the financial year beginning on or after 1 January 2023. The adoption of these standards did not have a material impact on the financial statements.

### **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 described in the last audited financial statements.



### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

### 4. Segment and revenue information

	Note	Trading of phosphate chemical products (Continuing)		Trading of non-chemical products (Continuing)		Adjustments and eliminations		Total (Continuing)	
		Financial Year Ended 31 December		Financial Year Ended 31 December		Financial Year Ended 31 December		Financial Year Ended 31 December	
		2023	2022	2023	2022	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue - external	4a	1,278	1,927	423	488	-	-	1,701	2,415
Amortisation and depreciation		(69)	(287)	-	-	-	-	(69)	(287)
Interest income	4b	-	-	-	-	1	13	1	13
Government grants		-	23	-	-	-	-	-	23
Write-off of inventories		(23)	-	-	-	-	-	(23)	-
Finance costs		(349)	(287)	-	-	-	-	(349)	(287)
Write-back of provision for legal fees	4b	-	-	-	-	165	-	165	-
Write-back of lease liabilities	4b	-	-	-	-	90	-	90	-
Write-back of/(provision for) impairment of other receivables	4b	-	-	-	-	167	(8)	167	(8)
Funding income for arbitration costs	4b	-	-	-	-	222	2,243	222	2,243
Foreign exchange gain	4b	-	-	-	-	460	445	460	445
Segment profit/(loss) before tax		(193)	(151)	80	100	(3,838)	(1,564)	(3,951)	(1,615)

Notes:

4a – There was no inter-segment revenue. Revenue from continuing operations represented invoiced trading sales of chemical and non-chemical products, recognised at a point in time.

4b – Adjustments related to unallocated corporate income and expenses.

### Geographical information

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

	Group			
	Revenue		Non-current assets	
	Financial Year Ended 31 December		As at 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
People's Republic of China	-	8	-	10,253
India	937	1,434	-	-
Ireland	423	488	-	-
Japan	134	113	-	-
Malaysia	63	78	-	-
Singapore	-	-	223	33
Others	144	294	-	-
	1,701	2,415	223	10,286

### Information about major customers

	Group			
	Financial Year Ended 31 December		Financial Year Ended 31 December	
	2023		2022	
	\$'000	% of revenue	\$'000	% of revenue
<u>Revenue</u>				
Customer A	936	55%	1,364	56%
Customer B	423	25%	488	20%
Customer C	134	8%	161	7%

#### 4. Segment and revenue information (cont'd)

##### Information about products

	<b>Group</b>	
	<b>Financial Year Ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Sodium Trimetaphosphate (STMP)	1,118	1,892
Sodium Hexametaphosphate (SHMP)	160	35
Commodity product	423	488
Revenue from continuing operations	1,701	2,415

#### 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:

	Note	<b>Group</b>		<b>Company</b>	
		<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Financial assets at amortised cost</u>					
Other receivables	5a	180	24	20	24
Trade receivables		51	72	50	72
Cash and bank balances		865	757	61	81
		1,096	853	131	177
<u>Financial liabilities at amortised cost</u>					
Trade and other payables	5b	2,364	3,332	1,737	305
Interest-bearing bank loan		-	3,610	-	-
Loan due to a director		1,753	1,792	1,713	1,751
Loan due to a controlling shareholder		1,122	456	1,121	456
Lease liability		189	108	-	-
Amounts due to subsidiaries		-	-	2,744	3,463
		5,428	9,298	7,315	5,975



## 5. Financial assets and financial liabilities (cont'd)

Note 5a:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Other receivables and prepayments (net of impairment)	534	636	50	78
Less: Prepayments	(354)	(612)	(30)	(54)
Other receivables (net of impairment)	180	24	20	24

Other receivables as at 31 December 2023 included deposits related to the mining operations, which were reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023, they had been fully impaired.

Note 5b:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Trade payables	49	244	-	-
Other payables *	8,177	9,136	1,737	305
	8,226	9,380	1,737	305
Less: Advance payments received on proposed disposal of Phase 2 Factory Assets (included in other payables)	(5,862)	(6,048)	-	-
	2,364	3,332	1,737	305

\* - Other payables as at 31 December 2023 mainly consist \$5.86 million received on the proposed disposal of the Phase 2 Factory Assets, and accrued awarded costs payable to China of \$1.66 million (inclusive of interest).

## 6. Taxation

There was no tax for the financial year ended 31 December 2023 as the Group did not have taxable profit. At the reporting date, the Group has not recognised deferred tax assets in respect of unutilised tax losses due to the uncertainty surrounding whether future taxable profits will be available against which the Group can utilise the benefit.

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Continuing operations</b>				
Current income tax expense	-	(99)	-	(99)
Income tax attributable to continuing operations	-	(99)	-	(99)
<b>Discontinued operations</b>				
Write-back of deferred tax liabilities recognized in prior years	1,199	-	1,199	-
Income tax attributable to discontinued operations	1,199	-	1,199	-

## 7. Right-of-use assets

Group	Land use rights	Office premises	Total
	\$'000	\$'000	\$'000
<b>Cost</b>			
At 1 January 2022	1,852	190	2,042
Currency realignment	(192)	-	(192)
At 31 December 2022	1,660	190	1,850
Currency realignment	26	-	26
Reclassified to non-current assets classified as held for sale	(1,686)	-	(1,686)
Additions	-	197	197
<b>At 31 December 2023</b>	<b>-</b>	<b>387</b>	<b>387</b>
<b>Accumulated depreciation and impairment losses</b>			
At 1 January 2022	371	190	561
Depreciation	36	-	36
Currency realignment	(42)	-	(42)
At 31 December 2022	365	190	555
Depreciation	7	11	18
Currency realignment	6	-	6
Reclassified to non-current assets classified as held for sale	(378)	-	(378)
Depreciation	-	-	-
<b>At 31 December 2023</b>	<b>-</b>	<b>201</b>	<b>201</b>
<b>Net carrying amount</b>			
<b>At 31 December 2023</b>	<b>-</b>	<b>186</b>	<b>186</b>
At 31 December 2022	1,295	-	1,295

Land use rights relate to a plot of leasehold land located in Sichuan Province, PRC on which the Elemental phosphorus (“P4”) plant is sited. The land use rights are for a tenure of approximately 50 years with effect from December 2011.

Pursuant to the Cooperation Agreement signed with Rongda in relation to the disposal of the P4 plant, the land use rights with carrying value of \$1.31 million were reclassified to non-current assets held for sale. As at the respective year ends, the land use rights were pledged to secure the interest-bearing bank loan of the Group.

Depreciation of right-of-use assets is recognised in the “General and administrative costs” in the consolidated statement of comprehensive income.

## 8. Property, plant and equipment

Group	Buildings	Leasehold improvements	Plant and machinery	Motor vehicles and office equipment	Mining infrastructure	Construction-in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>							
At 1 January 2022	8,078	427	15,141	850	-	117	24,613
Currency realignment	(837)	(15)	(1,569)	(22)	-	(12)	(2,455)
At 31 December 2022	7,241	412	13,572	828	-	105	22,158
Additions	-	-	-	2	-	-	2
Currency realignment	113	(4)	212	8	-	2	331
Reclassified from assets of disposal group (Note 9)	1,365	-	1,879	115	13,829	131	17,319
Reclassified to non-current assets classified as held for sale	(7,354)	(130)	(13,784)	(204)	-	(107)	(21,579)
<b>At 31 December 2023</b>	<b>1,365</b>	<b>278</b>	<b>1,879</b>	<b>749</b>	<b>13,829</b>	<b>131</b>	<b>18,231</b>
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2022	5,427	394	7,528	794	-	117	14,260
Depreciation	220	6	20	5	-	-	251
Currency realignment	(510)	(15)	(782)	(17)	-	(12)	(1,336)
At 31 December 2022	5,137	385	6,766	782	-	105	13,175
Depreciation	37	6	4	4	-	-	51
Currency realignment	88	(4)	106	(4)	-	2	188
Reclassified from assets of disposal group (Note 9)	1,365	-	1,879	115	13,829	131	17,319
Reclassified to non-current assets classified as held for sale	(5,262)	(130)	(6,876)	(154)	-	(107)	(12,529)
<b>At 31 December 2023</b>	<b>1,365</b>	<b>257</b>	<b>1,879</b>	<b>743</b>	<b>13,829</b>	<b>131</b>	<b>18,204</b>
<b>Net carrying amount</b>							
<b>At 31 December 2023</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>6</b>	<b>(0)</b>	<b>-</b>	<b>27</b>
At 31 December 2022	2,104	27	6,806	46	-	-	8,983

During the financial year ended 31 December 2023, the Group acquired assets at cost of \$2,000 (31 December 2022: \$Nil) and disposed of assets with net book value of \$Nil (31 December 2022: \$Nil).

Property, plant and equipment as at 31 December 2023 included mining-related property, plant and equipment, which were reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023, they had been fully impaired.

Pursuant to the Cooperation Agreement signed with Rongda in relation to the disposal of the P4 plant, property, plant and equipment with carrying value of \$9.05 million were reclassified to non-current assets held for sale.

## 9. Disposal group and discontinued operations

### Assets and liabilities of disposal group

#### FY2022

The assets of the disposal group as at 31 December 2022 related to the exploration license of Deyang Fengtai Mining Co., Ltd. (“Fengtai Mine”) and SMNPC’s Mine 1 and 2 mining and exploration licenses (collectively, the “Mining Assets”). The liabilities of the disposal group as at 31 December 2022 related to a provision made for the cost of rehabilitation of the mines.

In November 2017, the Group commenced discussions 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 sites in respect of SMNPC’s Mine 2 and Fengtai Mine, and the non-renewal of SMNPC’s Mine 1 mining and exploration licenses. Consequently, the Mining Assets were reclassified to assets of disposal group, and the provision made for the cost of rehabilitation of the mines was reclassified to liabilities of disposal group in the financial year ended 31 December 2017.

During the financial year ended 31 December 2021, the the Board reassessed the Group’s position in the aforementioned discussions with the Chinese Government and determined that it was unlikely that the Chinese Government would settle the dispute amicably. Accordingly, the Mining Assets were fully impaired during the financial year ended 31 December 2021.

#### FY2023

During the financial year ended 31 December 2023, the International Arbitration Tribunal ruled that Article 13(3) of China-Singapore Bilateral Investment Treaty (1985) did not afford jurisdiction over the Group’s expropriation claims and Article 4 of the Treaty did not afford jurisdiction over the remaining claims. The Group filed a petition to the Swiss Supreme Court on 20 March 2023 seeking inter alia, to set aside the International Arbitration Tribunal jurisdictional award and the legal costs awarded to China. As announced on 25 January 2024, the Group was unsuccessful in its appeal to the Swiss Supreme Court. Accordingly, the Board ascertained that the unsuccessful appeal to the Swiss Court meant that it was no longer appropriate to continue to classify the mining-related assets and liability as part of the disposal group.

As such, the Mining Assets were reclassified from assets of disposal group to other receivables (Note 5), property, plant and equipment (Note 8), mine properties (Note 10), and goodwill (Note 11) during the financial year ended 31 December 2023. As at 31 December 2023, the Mining Assets had been fully impaired.

Similarly, the provision made for the cost of rehabilitation of the mines was reclassified from liabilities of disposal group to provision for reinstatement cost (Note 12) during the financial year ended 31 December 2023.

## 9. Disposal group and discontinued operations (cont'd)

### Results of discontinued operations

Discontinued operations consist of the activities related to the non-current assets classified as held for sale (Note 13).

The results of the Group's discontinued operations for the financial year/period ended 31 December 2023 are as follows:

Group	Note	Discontinued Operations			
		Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b><u>Profit or Loss</u></b>					
Revenue		-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Other income	9a	4,473	18	5,155	219
Finance costs		(74)	(17)	(205)	(121)
Profit/(loss) before tax		4,399	1	4,950	98
Tax credit		1,199	-	1,199	-
Profit/(loss), net of tax		5,598	1	6,149	98

Note 9a:

Other income in the financial period/year ended 31 December 2023 comprised of:

- (1) Rental income on the lease of the P4 plant of \$1.06 million.
- (2) Write-back of provision for impairment of the P4 plant of \$4.09 million. The provision was written-back in the current financial year to increase the carrying value of the P4 plant to be equivalent to the aggregate of the consideration on the disposal of the P4 plant and the liabilities to be transferred to Rongdafeng. Please see Note 13 for further details.

## 9. Disposal group and discontinued operations (cont'd)

The cash flows attributed to discontinued operations for the financial year/period ended 31 December 2023 are as follows:

<u>Discontinued Operations</u>	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities :</b>				
Profit before taxation	4,399	1	4,950	98
Adjustments for :				
Interest expense	74	17	205	121
Other income	(4,473)	(18)	(5,155)	(219)
Net cash flows generated from/(used in) operating activities	-	-	-	-
<b>Cash flows from investing activities :</b>				
Deposit related to the lease of P4 Plant	-	-	777	-
Rental related to the lease of P4 Plant	-	-	1,528	-
Rental related to the lease of Phase 2 Factory Assets	-	-	-	69
Net cash flows generated from/(used in) investing activities	-	-	2,305	69
<b>Cash flows from financing activities :</b>				
Net (increase)/decrease in pledged deposits	72	17	205	121
Interest paid	(72)	(17)	(205)	(121)
Net cash flows generated from/(used in) financing activities	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>2,305</b>	<b>69</b>

## 10. Mine properties

Group	Exploration and evaluation assets	Producing mines	Total
	\$'000	\$'000	\$'000
<b><u>Cost</u></b>			
At 31 December 2022	-	-	-
Reclassified from assets of disposal group (Note 9)	25,886	36,521	62,407
<b>At 31 December 2023</b>	<b>25,886</b>	<b>36,521</b>	<b>62,407</b>
<b><u>Accumulated depreciation and impairment losses</u></b>			
At 31 December 2022	-	-	-
Reclassified from assets of disposal group (Note 9)	25,886	36,521	62,407
<b>At 31 December 2023</b>	<b>25,886</b>	<b>36,521</b>	<b>62,407</b>
<b><u>Net carrying amount</u></b>			
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 December 2022	-	-	-

As at 31 December 2022, the mine properties were classified as assets of disposal group (Note 9). Mine properties were reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023, the mine properties had been fully impaired.

## 11. Goodwill

	\$'000
<b><u>Cost</u></b>	
At 31 December 2022	-
Reclassified from assets of disposal group (Note 9)	12,249
<b>At 31 December 2023</b>	<b>12,249</b>
<b><u>Accumulated impairment losses</u></b>	
At 31 December 2022	-
Reclassified from assets of disposal group (Note 9)	12,249
<b>At 31 December 2023</b>	<b>12,249</b>
<b><u>Net carrying amount</u></b>	
<b>At 31 December 2023</b>	-
At 31 December 2022	-

As at 31 December 2022, goodwill was classified as assets of disposal group (Note 9). Goodwill was reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023, goodwill has been fully impaired.

## 12. Provision for reinstatement cost

	\$'000
At 1 January 2022	27
Provision made during the year	-
At 31 December 2022	27
Provision made during the year	-
Reclassified from liabilities of disposal group (Note 9)	740
<b>At 31 December 2023</b>	<b>767</b>

As at 31 December 2022, provision for the cost of rehabilitation of the mines was classified as liabilities of disposal group (Note 9). The provision was reclassified from liabilities of disposal group (Note 9) during the financial year ended 31 December 2023.

### 13. Non-current assets classified as held for sale and associated liabilities

Non-current assets classified as held for sale comprised of the carrying value of the Phase 2 Factory Assets and the P4 plant. The disposal of the Phase 2 Factory Assets is pending completion.

As announced on 22 March 2023, SMNPC had entered into a Cooperation Agreement with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. (“Rongda”) in connection with, *inter alia*, the temporary lease of the P4 plant and the Proposed Sale Option of the P4 plant to Rongda. Accordingly, the carrying value of the land use rights and property, plant and equipment relating to the P4 plant of \$1.31 million and \$9.05 million respectively, were reclassified from “Right-of-use assets” and “Property, plant and equipment” to “Non-current assets classified as held for sale”.

In view of the terms of the Cooperation Agreement with Rongda, the Management had determined that the fair value less costs of disposal of the P4 plant was higher than its carrying value. The carrying value of the P4 plant as at 31 December 2023 is equivalent to the aggregate of the consideration on the disposal of the P4 plant and the assets and liabilities to be transferred to Rongdafeng. Following the entry into Agreement II in January 2024 and the receipt of full payments from Rongda in February 2024, the completion of the transaction is deemed certain.

The summary of the assets that have been classified as held for sale is as follows:

<b>Group</b>	<b>\$'000</b>
<u>Land use rights</u>	
At at 31 December 2022	2,406
Add: P4 right-of-use assets	1,307
Currency realignment	(133)
At 31 December 2023	3,580
<u>Property, plant and equipment</u>	
At at 31 December 2022	3,399
Add: P4 property, plant and equipment	9,050
Add: Reversal of overprovision of impairment of P4	4,092
Currency realignment	(609)
At 31 December 2023	15,932
<u>Total</u>	
<b>At 31 December 2023</b>	<b>19,512</b>
At 31 December 2022	5,805



### 13. Non-current assets classified as held for sale and associated liabilities (cont'd)

In accordance with the above-mentioned Cooperation Agreement, liabilities corresponding to the P4 plant were reclassified to “Liabilities associated with non-current assets classified as held for sale”. The summary is as follows:

	Group	
	as at 31 December	
	2023	2022
	\$'000	\$'000
Interest-bearing bank loan	3,367	-
Advances from customers	40	-
Other payables	2,679	-
	6,086	-

As at 31 December 2023, the interest-bearing bank loan was secured by:

- (i) land use rights with a carrying value of \$1.25 million (RMB6.71 million);
- (ii) various Elemental phosphorus (“P4”) property, plant and equipment with a carrying value of \$14.13 million (RMB75.90 million); and
- (iii) a corporate guarantee of \$3.37 million by the Company.

The bank loan had been fully repaid on 30 January 2024.

### 14. Interest-bearing bank loan

	Group			
	31 December 2023		31 December 2022	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable				
In one year or less, or on demand	-	-	3,610	-
After one year	-	-	-	-
	-	-	3,610	-

As at 31 December 2022, the interest-bearing bank loan was secured by:

- (i) land use rights with a carrying value of \$1.29 million (RMB6.72 million);
- (ii) various Elemental phosphorus (“P4”) property, plant and equipment with a carrying value of \$8.95 million (RMB46.61 million); and
- (iii) a corporate guarantee of \$3.61 million by the Company.

As at 31 December 2023, the interest-bearing bank loan was reclassified to “Liabilities associated with non-current assets classified as held for sale”.

## 15. Share capital

	Group and Company			
	31 December 2023		31 December 2022	
	Number of shares		Number of shares	
	'000	\$'000	'000	\$'000
Ordinary shares issued and fully paid, with no par value:				
Balance	1,031,525	78,283	1,031,525	78,283

## 16. Related party transactions

Except as disclosed in Note 13 of Section F in this announcement, there were no other related party transactions.

## 17. Events occurring after the reporting year

There are no known subsequent events which will result in adjustments to this set of interim financial statements except as disclosed in Notes 2(b), 2(c) and 2(f) of Section E in this announcement.

## 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 year 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 year reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 December 2023 and 30 September 2023, 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 2023 and 31 December 2022.

As at 31 December 2023 and 31 December 2022, 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 year and as at the end of the immediately preceding year.

	As at	
	31 December 2023	31 December 2022
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 year reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year 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 year reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial year 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 2022 were subjected to a disclaimer opinion by the independent auditor of the Company (the "Auditor"). Please refer to the Group's annual report for the full audit opinion. The following are the Board's updates to the audit opinion:

**i) Going concern**

Update:

The Board has taken into consideration the Group's plans as disclosed under Section E Note 2 regarding the basis of the preparation of the financial statements of the Group and the Company as a going concern and is of the view that the Group and the Company are able to continue as a going concern.

**ii) Assets and liability of disposal group and discontinued operations**

Update:

As at 31 December 2023, the assets and liabilities of the disposal group had been reclassified to be part of the Group's continuing operations. Please see Note 9 of Section E for further details.

**iii) Recoverable amount of property, plant and equipment, right-of-use ("ROU") assets and investment in subsidiaries**

Update:

In view of the terms of the Cooperation Agreement with Rongda, the Management had determined that the fair value less costs of disposal of the P4 plant was higher than its carrying value. Accordingly, provision for impairment made previously on property, plant and equipment of the P4 plant had been partially written-back in the financial year ended 31 December 2023. The carrying value of the P4 plant as at 31 December 2023 is equivalent to the aggregate of the consideration on the disposal of the P4 plant and the assets and liabilities to be transferred to Rongdafeng.

During the financial year ended 31 December 2023, the Company recorded impairment of its investment in subsidiaries of \$9.40 million.



iv) **Trade and other payables**

Update:

The accrual in other payables was related to legal and professional fees related to the ongoing legal dispute with the Chinese government. The accrual had been written-back in the financial period ended 30 June 2023.

The Board confirms that the impact of the abovementioned audit issues on the financial statements of the Group has 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 year as those of the most recently audited consolidated financial statements for the financial year ended 31 December 2022.

**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 year beginning on 1 January 2023. 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 year 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	
	2023	2022	2023	2022
Profit/(loss) attributable to owners of the Company used in the computation of basic earnings per share (\$'000)				
- from continuing operations	(2,978)	(423)	(3,951)	(1,688)
- from discontinued operations	5,598	1	6,149	98
	2,620	(422)	2,198	(1,590)
Weighted average number of ordinary shares for basic earnings/(losses) per share ('000)	1,031,525	1,031,525	1,031,525	1,031,525
Basic earnings/(losses) per share (cents)				
- from continuing operations	(0.29)	(0.04)	(0.38)	(0.16)
- from discontinued operations	0.54	0.00	0.60	0.01
	0.25	(0.04)	0.22	(0.15)

As at 31 December 2023 and 2022, there were no dilutive instruments.

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 year reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Net asset / (net liabilities) value (\$'000)	259	(1,647)	(7,154)	3,656
Number of ordinary shares ('000)	1,031,525	1,031,525	1,031,525	1,031,525
Net asset / (net liabilities) value per ordinary share (cents)	0.03	(0.16)	(0.69)	0.35

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 year 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 year reported on.**

The figures in this section where applicable, have been rounded to the nearest two (2) decimal places.

#### **Statement of Profit of Loss**

**A review of the performance of the Group in 4Q2023 and FY2023 compared to the corresponding periods in 2022.**

#### **Revenue, cost of goods sold and gross profit**

The Group recorded a lower trading revenue in 4Q2023 and FY2023 as compared to 4Q2022 and FY2022 respectively mainly due to a lower quantity of phosphate chemical and commodity products sold.

Cost of goods sold decreased in 4Q2023 and FY2023 in line with the lower revenue.

The reductions in gross profits in 4Q2023 and FY2023, when compared to 4Q2022 and FY2022 respectively, were due to lower revenue and changes in the sales mix.

#### **Other income**

The decreases in other income in 4Q2023 and FY2023 against 4Q2022 and FY2022 respectively were mainly due to reduced funding reimbursement received for costs in relation to the arbitration against China.

#### **Selling and distribution costs**

Selling and distribution costs decreased in 4Q2023 and FY2023 against 4Q2022 and FY2022 respectively due to reduced sales activity.

#### **General and administrative costs**

The increases in general and administrative expenses in 4Q2023 and FY2023 against 4Q2022 and FY2022 respectively were mainly attributed to the expensing off of security deposits amounting \$0.86 million for the arbitration against China, following the unsuccessful appeal.



**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd).**

Finance costs

Finance costs rose in 4Q2023 and FY2023 against 4Q2022 and FY2022 respectively mainly due to the accrual of interest on the awarded arbitration costs and on the loans from a director and a shareholder in FY2023.

Other expenses

Other expenses fell in 4Q2023 and FY2023 against 4Q2022 and FY2022 respectively mainly due to larger provisions for bad debts made in 4Q2022 and FY2022.

Discontinued operations

The increases in profit before tax from discontinued operations in 4Q2023 and FY2023 against 4Q2022 and FY2022 were mainly due to the partial write-back of provision for impairment loss of the P4 plant. Please refer to notes 9 and 13 of section E of this announcement for details.

The commentary above should be read in conjunction with the commentary included in our results announcements for 1Q2023, 2Q2023 and 3Q2023 dated 9 May 2023, 14 August 2023 and 10 November 2023 respectively.

**Statement of Financial Position**

**A review of the performance of the Group as at 31 December 2023 compared to 31 December 2022.**

Non-current assets

The decrease in non-current assets was mainly attributed to the reclassification of the right-of-use assets and property, plant and equipment related to the P4 plant to “non-current assets classified as held for sale” in 1Q2023, following the entry into the Cooperation Agreement with Rongda in relation to the definitive disposal of the P4 plant.

Current assets

Inventory levels reduced due to the clearance of stocks during the year and a write-off of inventory damaged in a fire that took place in a third-party owned warehouse in Tianjin.

The decrease in trade receivables was attributed to lower sales of commodity products toward the end of the financial year ended 31 December 2023, as compared to 31 December 2022.



**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd).**

Current assets

The decrease in other receivables and prepayments was attributed mainly to the write-off of a security deposit made for legal costs in relation to the arbitration against China, following the unsuccessful appeal.

The increase in non-current assets classified as held for sale was due to the reclassification of land use rights and property, plant and equipment related to the P4 plant from “non-current assets”, as well as the write-back of provision for impairment loss of the P4 plant in 4Q2023.

Non-current liabilities

Deferred tax liabilities reduced mainly due to the write-back of deferred tax liabilities which arose from the depreciation of the P4 plant in prior years.

Deferred grant income comprised a government grant received in relation to the construction of the P4 plant. The change in carrying value is mainly due to exchange rate fluctuations.

Provision for reinstatement cost increased mainly due to a reclassification from liabilities of disposal group in FY2023.

Current liabilities

Other payables decreased mainly due to the reclassification of payables to “liabilities associated with non-current assets classified as held for sale” in relation to the planned transfer of certain creditors as part of the definitive disposal of the P4 plant.

As at 31 December 2023, deferred rental income comprised of the non-refundable deposit and advanced rental received from Rongda in relation to the lease of the P4 plant.

The sole interest-bearing bank loan outstanding as at 31 December 2023 and 31 December 2022 was reclassified from “interest-bearing bank loan” to “liabilities associated with non-current assets classified as held for sale” in 3Q2023. The reclassification was to reflect the intention to settle or transfer the aforementioned bank loan pursuant to the proposed disposal of the P4 plant in accordance with the terms of the Cooperation Agreement with Rongda.

Liabilities of disposal group as at 31 December 2022 relate to a provision made for the cost of rehabilitation of the mines. The provision was reclassified to provision for reinstatement cost in FY2023.



**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd).**

**Statement of Cash Flows**

**4Q2023**

The Group reported a net cash outflow for its operating activities in 4Q2023 mainly due to payments made for fixed costs incurred in the course of Group's regular operations.

The Group reported a net cash inflow for its financing activities in 4Q2023 mainly due to additional drawdowns of loans from a director and a controlling shareholder.

As a result of the above, after accounting for the minor effects of exchange rate fluctuations, there was a net increase in cash and cash equivalents of \$0.17 million.

**FY2023**

The Group reported a net cash outflow for its operating activities in FY2023 mainly due to payments made for legal fees in relation to the appeal to the Swiss Supreme Court.

The Group reported a net cash inflow for its investing activities in FY2023 mainly because of payments received from Rongda in relation to the lease of the P4 plant.

The Group reported a net cash inflow for its financing activities in FY2023 mainly due to additional drawdowns of loans from a controlling shareholder.

As a result of the above, after accounting for the minor effects of exchange rate fluctuations, cash and cash equivalents increased by \$0.17 million in FY2023.

The commentary above should be read in conjunction with the commentary included in our results announcements for 1Q2023, 2Q2023 and 3Q2023 dated 9 May 2023, 14 August 2023 and 10 November 2023 respectively.

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

The reported results for 4Q2023 and FY2023 are in line with the profit guidance issued on 21 February 2024.



**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.**

As announced on 30 January 2024 and 8 February 2024, the Group has received RMB20.00 million (approximately \$3.72 million) and RMB39.39 million (approximately \$7.33 million) (the latter under escrow), under the terms of Agreement II, for the disposal of the P4 plant. When completed, the disposal of the P4 plant will enhance shareholder value by allowing the Group to use the proceeds to fund future investments.

As announced on 9 October 2023, a subsidiary of the Company had entered into a non-binding term sheet pertaining to a potential acquisition of a renewable energy business. The potential acquisition is subject to the execution of a definitive agreement and if completed, will allow the Company to diversify into new businesses or growth areas and supplement the Group's existing businesses. Please see the announcement dated 28 February 2024 for the latest update on the transaction.

The management will continue to seek out suitable and profitable corporate, business and financing opportunities to enhance shareholders' value.

**11. Dividend**

**(a) Current Financial Year Reported On:** Any dividend declared for the current financial year 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 the financial year ended 31 December 2023 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.

As at 31 December 2023, the net loans from Dr. Ong amounted to \$1,420,000. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

As at 31 December 2023, the loans from Astute Ventures amounted to \$1,027,870. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

The interests for FY2023 were accrued following the Singapore Exchange Trading Securities Limited (“SGX-ST”) approval on the use of the Company’s market capitalization as at the end of the preceding financial year for the purpose of computing the IPT transactions thresholds under the Catalist Rules 905 and 906. The Company can continue to adopt the market capitalisation method as long as its net tangible assets (“**NTA**”) remains negative (as of the latest set of audited consolidated financial statements).



Based on the loans extended as at 31 December 2023, the total interest in FY2023 as a percentage of the Company's market capitalisation as at 31 December 2023 and 31 December 2022 is 2.6% and 1.2% respectively. Please refer to the announcement on 27 October 2023 for details of the SGX-ST approval.

The Audit Committee has discussed the terms of the loans and is of the view that the loans were i) for the benefit of the Group; ii) on normal commercial terms; and iii) not prejudicial to the interests of the issuer and its minority shareholders.

**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. (cont'd)**

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 <u>Rule 920</u> )	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than \$100,000)
Dr Ong Hian Eng	Director	\$141,000 <sup>(a)</sup>	Not applicable
Astute Ventures Pte Ltd	Controlling shareholder	\$70,000 <sup>(b)</sup>	Not applicable

Note:

- a) As explained in the previous paragraphs, Dr. Ong has extended several loans to the Company during August 2019 to March 2023. The interest accrued from January to December 2023 amounted to \$141,000.

Please note that the figure in the results announcement for the nine months ended 30 September 2023 inadvertently included the amount of interest accrued from August 2019 to December 2021. The actual interest accrued from January to September 2023 amounted to \$110,000.

- b) As explained in the previous paragraphs, Astute Ventures has extended several loans to the Company during April 2021 to March 2023. The interest accrued from January to December 2023 amounted to \$70,000.

Please note that the figure in the results announcement for the nine months ended 30 September 2023 inadvertently included the amount of interest accrued from April 2021 to December 2021. The actual interest accrued from January to September 2023 amounted to \$51,000.



**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		Change %
	FY2023 \$'000	FY2022 \$'000	
<b>a) Revenue</b>			
i) from continuing operations			
1H	1,096	1,279	(14)
2H	605	1,136	(47)
	<b>1,701</b>	<b>2,415</b>	<b>(30)</b>
ii) from discontinued operations			
1H	-	-	N.M.
2H	-	-	N.M.
	-	-	N.M.
<b>Total</b>	<b>1,701</b>	<b>2,415</b>	<b>(30)</b>
<b>(b) Operating profit/(loss) after tax before deducting non-controlling interests</b>			
i) from continuing operations			
1H	(617)	(1,043)	(41)
2H	(3,334)	(671)	N.M.
	<b>(3,951)</b>	<b>(1,714)</b>	<b>N.M.</b>
ii) from discontinued operations			
1H	233	67	N.M.
2H	5,916	31	N.M.
	<b>6,149</b>	<b>98</b>	<b>N.M.</b>
<b>Total</b>	<b>2,198</b>	<b>(1,616)</b>	<b>N.M.</b>

**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 the current and previous financial years.

**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	76	(i) Uncle of Simon Ong.  (ii) Father-in-law of Jaime Chiew, Chief Risk Officer.	(i) Current Position: Chief Executive Officer ("CEO") 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")	58	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 ("Jaime Chiew")	46	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

29 February 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.*

*The contact person for the Sponsor is Mr. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271*

