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## Profit Warning for the fourth quarter and financial year ended 31 December 2021

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The Board of Directors (the "Board") of Asiaphos Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that based on the currently available preliminary assessment of the draft unaudited consolidated financial results for the Group's fourth quarter ended 31 December 2021 ("4Q2021"), the Group is expected to report a higher net loss for 4Q2021 and for the financial year ended 31 December 2021 ("FY2021") as compared to the previous 4Q2020 and FY2020.

The main reasons for the loss was mainly due to the recognition of impairment losses on its property, plant and equipment. As at 31 December 2021, the Board has reassessed the Group's position in the investment dispute with the Chinese Government. The Board is of the view that it looks increasingly unlikely that the Chinese Government will settle the dispute amicably. Accordingly, the Group has recorded an impairment loss of S\$90 million on the mining assets that was presented as asset of disposal group.

Any recovery of the value of the Mining Assets will be dependent on the decision of the Arbitration Tribunal in the pending investment arbitration with the Chinese Government. The Group can record a write back of the impairment loss when it is successful in its arbitration but the amount of any write back will be dependent on the amount of award by the arbitration tribunal. SFRS(I)1-37 Provision, Contingent Liabilities and Contingent Assets does not allow Companies to recognise any contingent asset. Therefore, the potential recovery of the value of the mining assets in the pending arbitration has not been recognised as an asset.

The above guidance is based on a preliminary assessment made by the Company. The Company is in the process of finalising the Group's unaudited results for 4Q2021 and FY2021 which will be announced on or before 1 March 2022. Further details of the Group's performance will be disclosed when the Company announces its unaudited financial results for FY2021 on or before 1 March 2022.

In the meantime, shareholders and investors are advised to exercise caution when dealing in the Company's shares. When in doubt, shareholders and potential investors are advised to seek independent advice from their professional advisors before trading or making any investment decision on the Company's securities.

BY ORDER OF THE BOARD

Dr Ong Hian Eng  
 Executive Director  
 AsiaPhos Limited

22 February 2022

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*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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