

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 515,762,342 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

1.1. The board of directors ("**Board**" or "**Directors**") of AsiaPhos Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the "**Proposed Rights Issue**") of up to 515,762,342 new ordinary shares in the capital of the Company (the "**Rights Shares**"), at an issue price of S\$0.0054 for each Rights Share (the "**Issue Price**"), on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (the "**Shares**") held by Entitled Shareholders (as defined herein) as at a date and time to be determined by the Directors, at and on which the Register of Members of the Company and the Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of the Entitled Shareholders (defined herein) under the Rights Issue (the "**Record Date**"), fractional entitlements to be disregarded.

1.2. The principal terms of the Rights Issue are summarized below:

<p>Issue Price</p>	<p>S\$0.0054 per Rights Share</p>
<p>Discount (specifying benchmarks and periods)</p>	<p>The Issue Price represents a discount of approximately:</p> <p>(i) 26.0% to the volume weighted average price ("VWAP") of S\$0.0073 and 32.5% to the closing price ("Closing Price") of S\$0.008 per Share respectively on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist") on 28 March 2024, being the last full market day on which the Shares were traded on the Catalist immediately prior to the date of this announcement ("Last Trading Day"); and</p> <p>(ii) 24.3% to the theoretical ex-rights price ("TERP") of S\$0.0071 per Share.¹</p> <p>The Issue Price and the discount have been determined taking into account, <i>inter alia</i>, the prevailing market conditions (being general economic, interest rate, market conditions, sentiments and uncertainties), the issue price, market price and also the discounts from the relevant market prices and theoretical ex-rights prices for such past rights issue transactions on the Catalist for the past three (3) years, and the rationale for</p>

	the Rights Issue as stated in paragraph 6 of this announcement.
Allotment Ratio	One (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Record Date.
Use of Proceeds	Please refer to paragraph 7 of this announcement for details on the use of proceeds arising from the Rights Issue.
Purpose of Issue	Please refer to paragraph 6 of this announcement for details on the rationale for the Rights Issue.

Note:

- (1) The TERP is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the Closing Price, and the number of Shares following completion of the Rights Issue.

- 1.3. The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit in their sole discretion. The final terms and conditions of the Rights Issue, including the procedures for acceptances and applications for the Rights Shares, will be contained in the offer information statement ("**Offer Information Statement**") and its accompanying documents to be lodged with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), acting as agent on behalf of the Monetary Authority of Singapore ("**MAS**"), and to be despatched or disseminated by the Company to the Entitled Shareholders in due course.
- 1.4. As disclosed in the Company's result announcement for the financial year ended 31 December 2023 ("**FY2023**") (released on 29 February 2024), Dr Ong Hian Eng ("**OHE**", the Executive Director and Chief Executive Officer as well as controlling Shareholder of the Company) and Astute Ventures Pte. Ltd. ("**AV**", the controlling Shareholder of the Company) have extended loans to the Company. The loans from OHE and AV amounted to S\$1,420,000 ("**OHE Loans**") and S\$1,027,870 ("**AV Loans**") respectively as at 31 December 2023. The OHE Loans and the AV Loans were for working capital purposes, and they are unsecured, repayable on demand and bear interest at 11% per annum for the period commencing from 1 January 2023 to 31 December 2023 (8% per annum before 1 January 2023).

In connection with the Rights Issue, the Company will agree with OHE and AV (collectively, the "**Undertaking Shareholders**"):

- (i) to set-off the subscription monies of S\$750,966.96 payable by OHE and OHE Connected Parties (as defined in paragraph 3 of this announcement) for subscribing for 139,067,955 Entitled Rights Shares, against the OHE Loans; and

- (ii) to set-off the subscription monies of S\$764,154.56 payable by AV and AV Connected Parties (as defined in paragraph 3 of this announcement) for subscribing for 141,510,104 Entitled Rights Shares, against the AV Loans,

(collectively, the “**Offsetting Arrangements**”).

2. TERMS OF THE RIGHTS ISSUE

2.1. Issue Size

As at the date of this announcement, the Company has no treasury shares, existing options, warrants or other convertible instruments.

Based on the Company's issued and paid-up share capital comprising 1,031,524,685 Shares (excluding treasury shares) as at the date of this announcement (“**Existing Issued Share Capital**”) and assuming no new Shares are issued on or prior to the Record Date and all Entitled Shareholders subscribe in full and pay for their *pro rata* entitlements of Rights Shares, the Company will allot and issue up to 515,762,342 Rights Shares under the Rights Issue (the “**Maximum Scenario**”). Under the Maximum Scenario, the Rights Shares will represent approximately 50.0% of the Existing Issued Share Capital and 33.3% of the enlarged issued share capital of the Company comprising 1,547,287,027 Shares.

Assuming that:

- (a) there is no change in the Existing Issued Share Capital on or prior to the Record Date; and
- (b) none of the Entitled Shareholders subscribe for their *pro rata* entitlements of the Rights Shares other than the Undertaking Shareholders and their respective connected parties who shall subscribe and pay for (or procure the subscription and payment for) their Entitled Rights Shares in accordance with the Offsetting Arrangements as described in paragraph 3 of this announcement,

280,578,059 Rights Shares will be issued, and the enlarged issued share capital of the Company will increase to 1,312,102,744 Shares upon the allotment and issuance of such number of Rights Shares at the completion of the Rights Issue (the “**Minimum Scenario**”). In the Minimum Scenario, the Rights Shares will represent approximately 27.2% and 21.4% of the Existing Issued Share Capital and the enlarged issued Share capital of the Company, respectively. Shareholders (other than the Undertaking Shareholders and their respective connected parties, Directors, and substantial Shareholders) should note that in the Minimum Scenario, their aggregate shareholding interest in the Company after completion of the Rights Issue, will be reduced from their existing interest of approximately 39.5% to approximately 31.1%. Please refer to Appendices A, B and C of this announcement for further information.

2.2. Authority to issue the Rights Shares

The Rights Shares are intended to be issued and allotted pursuant to and within the limits of the share issue general mandate (the “**General Mandate**”), which is to be tabulated for the shareholders’ approval at the Company’s upcoming annual general meeting to be held on or before 30 April 2024 or such other dates and time as may be announced at a later date (the “**AGM**”).

Upon the approval from the shareholders at the AGM, the General Mandate will authorize the Directors to, *inter alia*, issue and allot Shares on a *pro rata* basis, whether by way of rights, bonus or otherwise, of up to 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM (after adjusting for new Shares arising from, where applicable, the conversion or exercise of any convertible securities or share options or vesting of share awards which were outstanding or subsisting as at the time the General Mandate was obtained provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”), and any subsequent bonus issue or consolidation or subdivision of Shares).

The Company foresees that no new Shares will be issued during the period commencing from the date of this announcement until the date of the AGM. As such, as at the date of the AGM, the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company will be 1,031,524,685. As at the date of this announcement, the Company has no treasury shares, existing options, warrants or other convertibles.

Accordingly, the total number of Shares that may be issued pursuant to the General Mandate is 1,031,524,685 Shares, of which the maximum number of Shares that can be issued on a *pro rata* basis is 1,031,524,685 Shares. The issuance of up to 515,762,342 Rights Shares pursuant to the Maximum Scenario falls within the limit of the General Mandate.

2.3. Ranking of the Rights Shares

The Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when issued and allotted, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments, or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

2.4. Non-underwritten

The Rights Issue will not be underwritten.

After taking into consideration, *inter alia*, the Group’s financial performance for **FY2023** based on the unaudited financial statements for FY2023, the Irrevocable Undertakings (as defined below) provided by the Undertaking Shareholders, the Group’s cash and cash equivalents and financial position as at 31 December 2023 (in particular, the Group’s total equity of approximately S\$259,000 as at 31

December 2023), continued financial support from the Undertaking Shareholders (subject to aggregate shareholding of OHE, OHE Connected Parties, AV and AV Connected Parties in the Company being not less than 50%) and assuming completion of the disposal of P4 plants and receipt of the remaining consideration thereof (please refer to the Company's announcements dated 29 January 2024, 30 January 2024, 7 February 2024, 8 February 2024, and 21 March 2024), in the reasonable opinion of the Directors, under normal business condition and without any contingencies, the minimum amount which must be raised from the Rights Issue to augment and strengthen the Group's equity base is S\$1.5 million (the "**Minimum Amount**"), which will be achieved via the Offsetting Arrangements with the Undertaking Shareholders under the Minimum Scenario.

Accordingly, the Company has decided to undertake the Rights Issue on a non-underwritten basis in view of, *inter alia*, the Offsetting Arrangements and the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission. The Rights Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Catalist Rules.

The estimated fees and expenses for the Rights Issue of approximately S\$200,000 is approximately 7.2% of the gross proceeds from the Rights Issue under the Maximum Scenario. Under the Minimum Scenario, no cash proceeds will be raised from the Rights Issue given the Offsetting Arrangements, and the Company will incur the estimated fees and expenses for the Rights Issue of approximately S\$200,000.

2.5. Option to Scale Down Subscription

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares and/or excess applications for the excess Rights Shares by any Shareholder (if such Shareholder chooses to subscribe for its *pro rata* Rights Shares entitlement and/or apply for excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers ("**Code**") as a result of other Shareholders not taking up their Rights Shares entitlement fully; or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.

In this connection, the Company may consult or make such applications to the Securities Industry Council (the "**SIC**") to ensure compliance with the Code.

2.6. Offer Information Statement

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue, including the procedures for acceptances and applications for the Rights Shares, will be contained in the Offer Information Statement and its accompanying documents to be lodged with the SGX-ST, acting as agent on behalf of the MAS, and to be despatched or disseminated by the Company to the Entitled Shareholders in due course.

3. **OFFSETTING ARRANGEMENTS AND UNDERTAKINGS**

Offsetting arrangement with OHE

OHE is the Executive Director and Chief Executive Officer of the Company as well as a controlling Shareholder of the Company. As at the date of this announcement, OHE holds directly 9,024,394 Shares representing approximately 0.9% of the Existing Issued Share Capital. In addition, he is deemed interested in 230,653,636 Shares held by FICA (Pte.) Ltd. ("**FICA**") representing approximately 22.4% of the Existing Issued Share Capital. FICA's shareholders are OHE (80.0%), Ong Eng Keong (Wang Rongkang)(10.0%), and Ong Bee Pheng (Wang Meiping) (10.0%).

As at the date of this announcement, OHE's connected parties are FICA, Ong Eng Keong (Wang Rongkang) (the Executive Director of the Company), and Ong Bee Pheng (Wang Meiping) (collectively, "**OHE Connected Parties**"). OHE, Ong Eng Keong (Wang Rongkang), and Ong Bee Pheng (Wang Meiping) are close relatives.

The direct shareholdings, number of Entitled Rights Shares, and amount payable for each of OHE and OHE Connected Parties are presented in the table below:

OHE and OHE Connected Parties	Number of Shares held directly	Number of Entitled Rights Shares	Amount payable for subscription of Entitled Rights Shares (S\$)
OHE	9,024,394	4,512,197	24,365.86
FICA	230,653,636	115,326,818	622,764.82
Ong Eng Keong (Wang Rongkang)	5,373,841	2,686,920	14,509.37
Ong Bee Pheng (Wang Mei Ping)	33,084,041	16,542,020	89,326.91
TOTAL	278,135,912	139,067,955	750,966.96

To demonstrate his support for the Rights Issue, OHE will execute an irrevocable deed of undertaking ("**OHE Irrevocable Undertaking**"), pursuant to which, and subject to Section 2.5 "Option to Scale Down Subscription" where applicable and among others:

- (a) OHE will undertake to ensure that the aggregate registered shareholding of OHE and OHE Connected Parties shall not be less than 278,135,912 Shares from the date of the OHE Irrevocable Undertaking until the close of the Rights Issue; and
- (b) OHE will subscribe and pay for (and/or procure the subscription and payment for) his *pro rata* entitlement of 4,512,197 Rights Shares and the OHE Connected Parties' *pro rata* entitlement of 134,555,758 Rights Shares pursuant to the Rights Issue for an aggregate subscription amount of S\$750,966.96 which will be settled via the OHE Set-Off Amount and OHE Novation Agreement (as defined below).

Based on the foregoing, OHE will undertake to subscribe for (or procure the subscription by the OHE Connected Parties for) an aggregate of up to 139,067,955 Entitled Rights Shares ("**OHE Undertaken Shares**") for an aggregate subscription amount of up to S\$750,966.96, with the number of undertaken Shares representing approximately 27.0% of all available Rights Shares.

OHE has and will not be offered additional terms or benefits in connection with the giving of the Irrevocable Undertaking set out above.

In light of the proposed offsetting arrangement involving the OHE Loans, OHE Set-Off Amount, and the agreement to be entered into between the Company, OHE and each of the OHE Connected Parties for the proposed novation of such amounts (being the amounts needed to subscribe for each of the OHE Connected Parties Entitled Rights Shares) from the OHE Loan ("**OHE Novation Agreement**") where the Rights Shares are being issued to the OHE Connected Parties via payment in kind rather than in cash, OHE will not be providing a confirmation of financial resources in connection with his irrevocable undertaking to the Company.

The Company will agree with OHE to set-off the subscription monies of S\$750,966.96 ("**OHE Set-Off Amount**"), payable by OHE and OHE Connected Parties for subscribing for their 139,067,955 Entitled Rights Shares pursuant to the Rights Issue, against the OHE Loans.

Upon allotment and issue of the 139,067,955 Entitled Rights Shares (to be credited as fully paid) to OHE and OHE Connected Parties as described above, OHE shall have no claims against the Company in relation to such amount of the OHE Loans that has been set-off and extinguished against the aggregate subscription monies of approximately S\$750,966.96 payable by OHE and OHE Connected Parties.

Offsetting arrangement with AV

AV is a controlling Shareholder of the Company. As at the date of this announcement, AV holds directly 270,025,455 Shares representing approximately 26.2% of the Existing Issued Share Capital. The shareholders of AV are Ong Kwee Eng (9.0%), Ng Siew Tin (9.0%), Ong Bee Kuan Melissa (40.0%), Ong Eng Hock Simon (18.0%), Ong Eng Siew Raymond (18.0%), and close relatives of Ong Eng Hock Simon and Ong Eng Siew Raymond (6.0% in aggregate).

As at the date of this announcement, AV’s connected parties are Ong Eng Hock Simon (the Non-Executive Director of the Company), Ong Eng Siew Raymond, Ong Bee Kuan Melissa, Ong Kwee Eng, Ng Siew Tin, and Linawati Alamsjah (collectively, “**AV Connected Parties**”). Each of the AV Connected Parties are close relatives. The direct shareholdings, number of Entitled Rights Shares, and amount payable for AV and AV Connected Parties are presented in the table below:

AV and AV Connected Parties	Number of Shares held directly	Number of Entitled Rights Shares	Amount payable for subscription of Entitled Rights Shares (S\$)
AV	270,025,455	135,012,727	729,068.73
Ong Eng Hock Simon	2,919,306	1,459,653	7,882.13
Ong Eng Siew Raymond	3,119,306	1,559,653	8,422.13
Ong Bee Kuan Melissa	5,369,190	2,684,595	14,496.81
Ong Kwee Eng	265	132	0.71
Ng Siew Tin	237,959	118,979	642.49
Linawati Alamsjah	1,348,731	674,365	3,641.57
TOTAL	283,020,212	141,510,104	764,154.56

To demonstrate support for the Rights Issue, AV will execute an irrevocable deed of undertaking (“**AV Irrevocable Undertaking**”), pursuant to which, and subject to Section 2.5 “Option to Scale Down Subscription” where applicable and among others:

- (a) AV will undertake to ensure that the aggregate registered shareholding of AV and AV Connected Parties shall not be less than 283,020,212 Shares from the date of the AV Irrevocable Undertaking until the close of the Rights Issue; and
- (b) AV will subscribe and pay for (and/or procure the subscription and payment by the AV Connected Parties for) its *pro rata* entitlement of 135,012,727 Rights Shares and the AV Connected Parties’ *pro rata* entitlement of 6,497,377 Rights Shares pursuant to the Rights Issue for an aggregate subscription amount of S\$764,154.56 which will be settled via the AV Set-Off Amount and AV Novation Agreement (as defined below).

Based on the foregoing, AV will undertake to subscribe for (or procure the subscription for) an aggregate of up to 141,510,104 Entitled Rights Shares (“**AV Undertaken Shares**”) for an aggregate subscription amount of up to S\$764,154.56, with the number of undertaken Shares representing approximately 27.4% of all available Rights Shares.

AV has and will not be offered additional terms or benefits in connection with the giving of the Irrevocable Undertaking set out above.

In light of the proposed offsetting arrangement involving the AV Loans and AV Set-Off Amount, and the agreement to be entered into between the Company, AV and each of the AV Connected Parties for the proposed novation of such amounts (being the amounts needed to subscribe for each of the AV Connected Parties Entitled Rights Shares) from the AV Loans (“**AV Novation Agreement**”) where the Rights Shares are being issued to the AV Connected Parties via payment in kind rather than in cash, AV will not be providing a confirmation of financial resources in connection with its irrevocable undertaking to the Company.

The Company will agree with AV to set-off the subscription monies of approximately S\$764,154.56 (“**AV Set-Off Amount**”), payable by AV and AV Connected Parties for subscribing for 141,510,104 Entitled Rights Shares pursuant to the Rights Issue, against the AV Loans.

Upon allotment and issue of the 141,510,104 Entitled Rights Shares (to be credited as fully paid) to AV and AV Connected Parties as described above, AV shall have no claim against the Company in relation to such amount of the AV Loans that has been set-off against the aggregate subscription monies of approximately S\$764,154.56 payable by AV and AV Connected Parties.

Collectively the OHE Undertaken Shares and AV Undertaken Shares pursuant to the OHE Undertaking and AV Undertaking respectively, will be termed the “**Undertaken Shares**”, whilst the OHE Undertaking and AV Undertaking will be termed the “**Irrevocable Undertakings**”.

4. CONDITIONS OF THE RIGHTS ISSUE

- 4.1. The Rights Issue is subject to and conditional upon, *inter alia*:
- (a) approval having been obtained from the Shareholders at the AGM for the General Mandate;
 - (b) the receipt of LQN (defined herein) from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Rights Issue) for the dealing in, listing of and quotation for the Rights Shares on the Catalist and, where the LQN is subject to conditions, such conditions being acceptable to the Company;
 - (c) all conditions of the LQN having been complied with;
 - (d) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Rights Issue with the SGX-ST, acting as an agent on behalf of the MAS; and

- (e) all other necessary approvals (including where applicable an extraordinary general meeting ("**EGM**") for independent shareholders to vote on such resolutions as may be required by the SIC), consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue, being obtained and not having been withdrawn or revoked before the completion of the Rights Issue.
- 4.2. An application will be made by the Company, through its Sponsor (as defined herein), to the SGX-ST for the listing and quotation for the Rights Shares on the Catalist ("**ALA**"). An appropriate announcement will be made in due course when the Company receives the listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares on the Catalist ("**LQN**") from the SGX-ST.

5. **ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE**

The Company proposes to provisionally allot the Rights Shares to the entitled shareholders ("**Entitled Shareholders**"), comprising the Entitled Depositors and the Entitled Scripholders (both as defined herein). Entitled Shareholders will be entitled to participate in the Rights Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of The Central Depository (Pte) Limited ("**CDP**") or the Share Registrar (as defined herein), as the case may be.

5.1. Entitled Depositors

"**Entitled Depositors**" are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Accounts**") and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) market days ("**Market Day**" being a day on which the SGX-ST is open for securities trading) prior to the Record Date provided CDP with addresses in Singapore for the service of notices and documents.

Entitled Depositors will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Record Date.

5.2. Entitled Scripholders

"**Entitled Scripholders**" are Shareholders whose share certificates are not deposited with CDP and who have tendered to the Company's share registrar, M & C Services Private Limited ("**Share Registrar**") valid transfers of their Shares and the share certificates relating thereto for registration up to 5.00 p.m. (Singapore time) on the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date provided the Share Registrar with addresses in Singapore for the service of notices and documents.

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

5.3. Foreign Shareholders

The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**") and accordingly, the Rights Shares will NOT be offered to Foreign Shareholders.

The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered, or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue and no provisional allotment of Rights Shares will be made to Foreign Shareholders. No purported acceptance thereof or application for any excess Rights Shares therefor by any Foreign Shareholder will be valid. The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares with Warrant through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have

any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith.

Where the provisional allotments of Rights Shares are sold "nil-paid" on the Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith. If such provisional allotments of Rights Shares cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for Excess Rights Shares or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or CDP and their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, TO (I) CDP AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS TOWER 2, SINGAPORE 138588 OR (II) ASIAPHOS LIMITED C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 1 HARBOURFRONT AVENUE #14-07 KEPPEL BAY TOWER SINGAPORE 098632, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.

5.4. Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and will also be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue ("**Excess Rights Shares**").

Entitlements which are not allotted or taken up for any reason will be aggregated and issued to satisfy applications, if any, for Excess Rights Shares or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will not make any issuance and allotment of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for Excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

5.5. Trading of odd lots

Shareholders who hold odd lots of the Rights Shares, and who wish to trade in odd lots on the Catalist should note that they will be able to do so on the Unit Share Market.

6. RATIONALE FOR THE RIGHTS ISSUE

- 6.1. The Company is undertaking the Rights Issue with the objectives of: (i) augmenting and strengthening the Group's equity base (of approximately S\$259,000 based on the Group's unaudited financial statements as at 31 December 2023), which had been eroded from past losses; and (ii) minimizing or "conserving" cash outflows needed for the repayment of the outstanding OHE Loans and AV Loans. This will be achieved via the Offsetting Arrangements with the Undertaking Shareholders under the Minimum Scenario.

Any additional proceeds raised from the Rights Issue in excess of the Minimum Amount will further strengthen the Group's financial position and augment its existing cash balances and expected proceeds from the completion of the P4 plants (as announced) whilst raising further cash and working capital for the Group's existing operations and organic or inorganic expansion in the future. A stronger equity base will enable the Group to raise more funds from financial institutions in terms of higher credit limits; and likewise embark upon corporate actions in terms of higher thresholds (pursuant to the relevant Catalist Rules) for acquisitions and disposals, and thus saving time, costs and resources to convene extraordinary general meetings. The stronger financial position will also provide financial flexibility for the Group for its working capital and other needs, such as capitalising on potential growth opportunities in a timely manner and as and when such opportunities arise.

Further, the Offsetting Arrangements will also reduce the gearing of the Company as well as the associated interest expense that would have accrued with the existing OHE Loans and AV Loans.

- 6.2. In addition, the Rights Issue is priced to encourage participation of all Shareholders in the Company's Share capital and would also provide current Shareholders who are confident of the prospects of the Company with the opportunity to further participate in the equity of the Company and maintain their equity stake in the Company at a discounted price. The Issue Price and discount were arrived at after taking into consideration factors stated in paragraph 1.2. above.

6.3. For the foregoing reasons, the Board is of the view that the Rights Issue would be in the interests of the Group and the Shareholders.

7. USE OF PROCEEDS

7.1. Under the Maximum Scenario, the Company expects to receive net proceeds of approximately S\$2.6 million from the Rights Issue ("**Net Proceeds**") (after deducting estimated expenses of approximately S\$0.2 million). Estimated fee and expenses of S\$0.2 million constitutes approximately 7.2% of the gross proceeds. The Net Proceeds after taking into account the Offsetting Arrangements is approximately S\$1.1 million.

7.2. The Company intends to use the Net Proceeds raised from the Rights Issue under the Maximum Scenario in the following manner:

Use of Net Proceeds	Approximate Allocation of the Net Proceeds	Approximate Percentage Allocation of the Net Proceeds
Offsetting Arrangements with the Undertaking Shareholders and their respective connected parties	S\$1.5 million	58.6%
General working capital for the Group, and acquisition of businesses	S\$1.1 million	41.4%
Total	S\$2.6 million	100.0%

Save as disclosed for the Offsetting Arrangements, no proceeds raised from the Rights Issue will be used for the repayment of outstanding OHE Loans and AV Loans.

7.3. Under the Minimum Scenario, no cash proceeds will be raised from the Rights Issue given the Offsetting Arrangements, and the Company will incur the estimated fees and expenses for the Rights Issue of approximately S\$200,000.

7.4. Pending deployment of the Net Proceeds for the purposes stated, the Net Proceeds will be deposited with banks and/or financial institutions, invested in short-term money markets or marketable securities or used for other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Group.

- 7.5. The Company will make such periodic announcements on the utilisation of Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement and provide a status report on the use of the Net Proceeds in the Company's annual reports until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

8. WORKING CAPITAL CONFIRMATIONS

As at the date of this announcement, the Directors are of the opinion that under normal business conditions and without any contingencies assuming, *inter alia*: (i) the Group's ability to maintain its: (a) trading revenue and profit margins; (b) normal and usual working capital cycle of the Group (in terms of inventory (where applicable), receivable and trade payable days); and (c) inventory obsolescence level where applicable; (ii) no material or adverse changes in revenue, profit margins, material costs, utilities and labour cost or wages, foreign exchange rates, professional fees and other administrative and selling expenses; (iii) the Group's ability to collect trade and other receivables, and minimal capex requirements given the state of the Group's existing operations, and after taking into account the completion of the disposal of the P4 plants or transfers, release of escrow monies and receipt of the remaining consideration thereof (as announced on SGXNET); completion of the disposal of SMNPC's Sodium Tripolyphosphate ("**STPP**") plant and the associated land use rights (collectively "**Phase 2 Factory Assets**") (refer to the Company's announcement dated 29 February 2024 for latest update), continued financial support from the Undertaking Shareholders (subject to aggregate shareholdings of OHE, OHE Connected Parties, AV, and AV Connected Parties in the Company being not less than 50%) and:

- (a) subject to market, general economic and industry conditions for which the Group operates or trades in and barring unforeseen circumstances, the current working capital available to the Group is sufficient for its present requirements for the next twelve (12) months; and
- (b) after taking into consideration the factors mentioned in Section 8(a) above, as well as potential Net Proceeds from the Rights Issue (where all Entitled Shareholders subscribe for their respective pro rata entitlement of Rights Shares), the working capital available to the Group will be sufficient to meet its present requirements for the next twelve (12) month. Proceeds from the Rights Issue will provide the Group with financial flexibility and augment its cash buffer for existing and future operations.

9. PREVIOUS EQUITY FUND RAISING

The Company has not undertaken any equity fundraising exercise in the past twelve (12) months.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Save as disclosed in this announcement (including but not limited to the Offsetting Arrangements, the OHE undertaking and AV Undertaking), none of the Directors or substantial Shareholders of the Company have any interests, direct or indirect, in the Rights Issue (other than through their respective shareholdings in the Company).

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Offsetting Arrangements, the OHE Novation Agreement and AV Novation Agreement, the OHE Undertaking and AV Undertaking, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CAUTION IN TRADING AND FURTHER ANNOUNCEMENTS

Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the transactions announced herein will proceed to completion. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax, legal or other professional adviser(s) immediately.

BY ORDER OF THE BOARD

Dr Ong Hian Eng
Executive Director
AsiaPhos Limited

28 March 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

APPENDIX A

Interests of Directors and Substantial Shareholders as at 28 March 2024

	Number of Shares			Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed	Total	
OHE and OHE Connected Parties⁽²⁾	278,135,912	-	278,135,912	27.0
AV and AV Connected Parties⁽³⁾	283,020,212	-	283,020,212	27.4
Other Directors				
Lee Fook Wah Francis	200,000	-	200,000	0.0
Goh Yeow Tin	-	-	-	-
Substantial Shareholder (other than OHE, OHE Connected Parties, AV, and AV Connected Parties)				
Luo Yong	62,277,900	-	62,277,900	6.0
Other Shareholders⁽⁴⁾	407,890,661	-	407,890,661	39.5

Notes:

- (1) The percentage of shareholdings is computed based on the Existing Issued Share Capital comprising 1,031,524,685 Shares.
- (2) These include 9,024,394 Shares, 230,653,636 Shares, 5,373,841 Shares, and 33,084,041 Shares held directly by OHE, FICA, Ong Eng Keong (Wang Rongkang), and Ong Bee Pheng (Wang Meiping) respectively.
- (3) These include 270,025,455 Shares, 2,919,306 Shares, 3,119,306 Shares, 5,369,190 Shares, 265 Shares, 237,959 Shares and 1,348,731 Shares held directly by AV, Ong Eng Hock Simon, Ong Eng Siew Raymond, Ong Bee Kuan Melissa, Ong Kwee Eng, Ng Siew Tin, and Linawati Alamsjah respectively.
- (4) Shareholders other than the Undertaking Shareholders and their respective connected parties, Directors, and substantial Shareholders, have an aggregate interest of 407,890,661 Shares. These include 44,985,861 Shares held by the General Manager of the Company's subsidiary, Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd ("Mianzhu Norwest"), Mr. Wang Xuebo through WYY Investment Holdings Pte Ltd.

APPENDIX B

Interests of Directors and Substantial Shareholders under the Maximum Scenario

	Number of Shares			Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed	Total	
OHE and OHE Connected Parties ⁽²⁾	417,203,867	-	417,203,867	27.0
AV and AV Connected Parties ⁽³⁾	424,530,316	-	424,530,316	27.4
Other Directors				
Lee Fook Wah Francis	300,000	-	300,000	0.0
Goh Yeow Tin	-	-	-	-
Substantial Shareholder (other than OHE, OHE Connected Parties, AV, and AV Connected Parties)				
Luo Yong	93,416,850	-	93,416,850	6.0
Other Shareholders ⁽⁴⁾	611,835,994	-	611,835,994	39.5

Notes:

- (1) The percentage of shareholdings is computed based on the enlarged issued Share capital comprising 1,547,287,027 Shares.
- (2) Based on the Maximum Scenario, these will include 13,536,591 Shares, 345,980,454 Shares, 8,060,761 Shares, and 49,626,061 Shares held directly by OHE, FICA, Ong Eng Keong (Wang Rongkang), and Ong Bee Pheng (Wang Meiping) respectively
- (3) Based on the Maximum Scenario, these will include 405,038,182 Shares, 4,378,959 Shares, 4,678,959 Shares, 8,053,785 Shares, 397 Shares, 356,938 Shares and 2,023,096 Shares held directly by AV, Ong Eng Hock Simon, Ong Eng Siew Raymond, Ong Bee Kuan Melissa, Ong Kwee Eng, Ng Siew Tin, and Linawati Alamsjah respectively
- (4) Based on the Maximum Scenario, Shareholders other than the Undertaking Shareholders and their respective connected parties, Directors, and substantial Shareholders, will have an aggregate interest of 611,835,994 Shares. These include 67,478,792 Shares held by Mr. Wang Xuebo, the General Manager of Mianzhu Norwest through WYY Investment Holdings Pte Ltd (or approximately 4.4% of the enlarged issued Share capital under this Maximum Scenario).

APPENDIX C

Interests of Directors and Substantial Shareholders under the Minimum Scenario

	Number of Shares			Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed	Total	
OHE and OHE Connected Parties⁽²⁾	417,203,867	-	417,203,867	31.8
AV and AV Connected Parties⁽³⁾	424,530,316	-	424,530,316	32.4
Other Directors				
Lee Fook Wah Francis	200,000	-	200,000	0.0
Goh Yeow Tin	-	-	-	-
Substantial Shareholder (other than OHE, OHE Connected Parties, AV, and AV Connected Parties)				
Luo Yong	62,277,900	-	62,277,900	4.7
Other Shareholders⁽⁴⁾	407,890,661	-	407,890,661	31.1

Notes:

- (1) The percentage of shareholdings is computed based on the enlarged issued Share capital comprising 1,312,102,744 Shares.
- (5) Based on the Minimum Scenario, these will include 13,536,591 Shares, 345,980,454 Shares, 8,060,761 Shares, and 49,626,061 Shares held directly by OHE, FICA, Ong Eng Keong (Wang Rongkang), and Ong Bee Pheng (Wang Meiping) respectively
- (6) Based on the Minimum Scenario, these will include 405,038,182 Shares, 4,378,959 Shares, 4,678,959 Shares, 8,053,785 Shares, 397 Shares, 356,938 Shares and 2,023,096 Shares held directly by AV, Ong Eng Hock Simon, Ong Eng Siew Raymond, Ong Bee Kuan Melissa, Ong Kwee Eng, Ng Siew Tin, and Linawati Alamsjah respectively
- (2) Based on the Minimum Scenario, Shareholders other than the Undertaking Shareholders and their respective connected parties, Directors, and substantial Shareholders, will have an aggregate interest of 409,477,616 Shares. These include 44,985,861 Shares held by Mr. Wang Xuebo, the General Manager of Mianzhu Norwest, through WYY Investment Holdings Pte Ltd (or approximately 3.4% of the enlarged issued Share capital under this Minimum Scenario.