



ASIAPHOS LIMITED

Company Registration Number: 201200335G

UNAUDITED CONDENSED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		Third Quarter Ended 30 September			Nine Months Ended 30 September		
		2023 \$'000	2022 \$'000	Change %	2023 \$'000	2022 \$'000	Change %
Continuing operations							
Revenue	E4	357	543	(34)	1,453	1,822	(20)
Cost of sales		(279)	(460)	(39)	(1,168)	(1,570)	(26)
Gross profit		78	83	(6)	285	252	13
Other income		131	200	(35)	524	404	30
Selling and distribution costs		(29)	(49)	(41)	(104)	(104)	0
General and administrative costs		(373)	(398)	(6)	(1,449)	(1,612)	(10)
Finance costs		(163)	(71)	130	(216)	(210)	3
Other expenses		-	(11)	(100)	(13)	(19)	(32)
Profit/(loss) before tax, from continuing operations		(356)	(246)	45	(973)	(1,289)	(25)
Taxation	E6	-	-	N.M.	-	-	N.M.
Profit/(loss) from continuing operations, net of tax		(356)	(246)	45	(973)	(1,289)	(25)
Discontinued operation							
Profit/(loss) from discontinued operations, net of tax	E9	318	30	960	551	97	468
Profit/(loss) for the period		(38)	(216)	(82)	(422)	(1,192)	(65)
Other comprehensive income							
Items that may not be recycled to profit or loss							
Foreign currency translation gain/(loss)		2	(119)	N.M.	(162)	(552)	(71)
Total comprehensive profit/(loss) for the period		(36)	(335)	(89)	(584)	(1,744)	(67)
Net profit/(loss) for the period attributable to:							
Owners of the Company							
- Continuing operations, net of tax		(356)	(237)	50	(973)	(1,265)	(23)
- Discontinued operation, net of tax		318	30	960	551	97	468
		(38)	(207)	(82)	(422)	(1,168)	(64)
Total comprehensive profit/(loss) for the period attributable to:							
Owners of the Company		(36)	(329)	(89)	(590)	(1,733)	(66)
Non-controlling interest		-	(6)	(100)	6	(11)	N.M.
Total comprehensive profit/(loss) for the period		(36)	(335)	(89)	(584)	(1,744)	(67)
Attributable to owners of the Company							
Total comprehensive profit/(loss) for the year from:							
- Continuing operations, net of tax		(354)	(359)	(1)	(1,141)	(1,830)	(38)
- Discontinued operation, net of tax		318	30	960	551	97	468
Total comprehensive profit/(loss) for the period attributable to owners of the Company		(36)	(329)	(89)	(590)	(1,733)	(66)

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

	Group			
	Third Quarter Ended		Nine Months Ended	
	30 September		30 September	
Earnings/(losses) per share	2023	2022	2023	2022
Earnings/(losses) per share for the year attributable to the owners of the Company:				
Basic earnings/(losses) per share (cents)				
- from continuing operations	(0.03)	(0.02)	(0.09)	(0.12)
- from discontinued operations	0.03	0.00	0.05	0.01
	-	(0.02)	(0.04)	(0.11)
Diluted earnings/(losses) per share (cents)				
- from continuing operations	(0.03)	(0.02)	(0.09)	(0.12)
- from discontinued operations	0.03	0.00	0.05	0.01
	-	(0.02)	(0.04)	(0.11)

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 third quarter ended 30 September 2023 (“3Q2023”), the Group recorded a translation gain of \$0.002 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 was arrived at after (charging)/crediting the following:

	Group					
	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2023 \$'000	2022 \$'000	Change %	2023 \$'000	2022 \$'000	Change %
Interest income #						
- continuing operations	-	-	N.M.	1	2	(50)
- discontinued operations	-	45	(100)	-	136	(100)
Rental income #						
- discontinued operations	380	19	1900	682	65	949
Government grants #	-	6	(100)	-	13	(100)
Interest expenses						
- continuing operations	(163)	(71)	130	(216)	(210)	3
- discontinued operations	(62)	(34)	82	(131)	(104)	26
Write-off of inventories						
- continuing operations	-	-	N.M.	(13)	-	N.M.
Amortisation and depreciation *						
- continuing operations	(4)	(98)	(96)	(66)	(245)	(73)
Write-back of provision for legal fees *	-	-	N.M.	165	-	N.M.
Write-back of lease liabilities #	90	-	N.M.	90	-	N.M.
Foreign exchange gain # ^	41	183	(78)	390	378	3

N.M. - Not Meaningful

* - Included in General and administrative costs

- Included in Other income

^ - Foreign exchange gain in 9M2022 of \$378,000 differs from the \$691,000 disclosed in the original announcement dated 11 November 2022 due to a typographical error therein. This typographical error did not affect the results of 9M2022 as announced and had this typographical error been corrected then, the results for the said period would have remained unchanged.

B. Condensed interim statements of financial position

	Note	Group As at		Company As at	
		30 September 2023 \$'000	31 December 2022 \$'000	30 September 2023 \$'000	31 December 2022 \$'000
ASSETS					
Non-current assets					
Right-of-use assets	E7	196	1,295	-	-
Property, plant and equipment	E8	27	8,983	-	-
Other receivables and prepayments		10	8	-	-
Investment in subsidiaries		-	-	9,400	9,400
		233	10,286	9,400	9,400
Current assets					
Inventories		20	223	-	-
Trade receivables	E5	60	72	52	72
Other receivables and prepayments	E5	1,436	636	888	78
Amount due from subsidiary		-	-	129	-
Cash and bank balances		566	757	22	81
		2,082	1,688	1,091	231
Assets of disposal group	E9	-	-	-	-
Non-current assets classified as held for sale	E10	15,579	5,805	-	-
		17,661	7,493	1,091	231
Total Assets		17,894	17,779	10,491	9,631
EQUITY					
Share capital	E13	78,283	78,283	78,283	78,283
Reserves	D	(77,982)	(77,392)	(73,445)	(74,627)
Equity attributable to owners of the Company		301	891	4,838	3,656
Non-controlling interest		(2,532)	(2,538)	-	-
Total equity		(2,231)	(1,647)	4,838	3,656
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities		1,002	1,117	-	-
Deferred income		1,823	1,869	-	-
Provision for reinstatement cost		27	27	-	-
Lease liability	E5	166	81	-	-
		3,018	3,094	-	-
Current liabilities					
Trade payables	E5	49	244	-	-
Other payables	E5	9,122	9,136	128	305
Deferred income		1,575	-	-	-
Contract liabilities		50	303	-	-
Interest-bearing bank loans	E11	-	3,610	-	-
Loan due to a director	E5	1,257	1,792	1,216	1,751
Loan due to a controlling shareholder	E5	761	456	761	456
Lease liability	E5	29	27	-	-
Amounts due to subsidiaries		-	-	3,548	3,463
		12,843	15,568	5,653	5,975
Liabilities of disposal group	E9	744	764	-	-
Liabilities associated with non-current assets classified as held for sale	E10	3,520	-	-	-
		17,107	16,332	5,653	5,975
Total Liabilities		20,125	19,426	5,653	5,975
Total Equity and Liabilities		17,894	17,779	10,491	9,631

C. Condensed interim consolidated statement of cash flows

	Note	Group			
		Third Quarter Ended 30 September		Nine Months Ended 30 September	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash flows from operating activities :					
Profit/(Loss) before taxation from					
- continuing operations		(356)	(246)	(973)	(1,289)
- discontinued operations		318	30	551	97
Profit/Loss before taxation		(38)	(216)	(422)	(1,192)
Adjustments for :					
Depreciation and amortisation expenses		4	98	66	245
Write-back of provision for legal fees		-	-	(165)	-
Write-off of inventories		-	-	13	-
Write-back of lease liabilities		(90)	-	(90)	-
Interest expense		225	105	347	314
Interest income		-	(45)	(1)	(138)
Rental income		(380)	(19)	(682)	(65)
Unrealised exchange (gain)/loss		8	(6)	(172)	(20)
Operating cash inflow/(outflow) before working capital changes		(271)	(83)	(1,106)	(856)
(Increase)/decrease in inventories		(1)	60	187	107
(Increase)/decrease in trade and other receivables		(398)	(47)	(869)	(315)
Increase/(decrease) in trade and other payables		(60)	46	(99)	(271)
Cash generated from/(used in) operations		(730)	(24)	(1,887)	(1,335)
Bank interest received		-	-	1	2
Tax paid		-	-	-	-
Net cash flows generated from/(used in) operating activities		(730)	(24)	(1,886)	(1,333)
Cash flows from investing activities :					
Payments for property, plant and equipment		(1)	-	(2)	-
Deposit and rent received on lease of P4 plant		-	-	2,305	-
Net cash flows generated from/(used in) investing activities		(1)	-	2,303	-
Cash flows from financing activities :					
Repayment of bank loan		-	-	-	(2,129)
Proceeds from bank loan		-	-	-	2,129
(Increase)/decrease in pledged deposits		63	105	184	179
Payments of lease liability		(7)	(5)	(20)	(18)
Interest paid		(65)	(105)	(189)	(314)
Loan from a controlling shareholder		-	-	255	-
Repayment of loan from a director		-	-	(645)	-
Net cash flows generated from/(used in) financing activities		(9)	(5)	(415)	(153)
Net increase/(decrease) in cash and cash equivalents		(740)	(29)	2	(1,486)
Cash and cash equivalents at beginning of period		1,010	809	271	2,297
Effects of exchange rate changes on cash and cash equivalents		1	(11)	(2)	(42)
Cash and cash equivalents at end of period	C1	271	769	271	769

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 30 September	
	2023	2022
	\$'000	\$'000
Cash and bank balances	566	1,145
Less: pledged deposits for bank loans	(94)	(160)
Less: restricted use of mining deposits	(201)	(216)
Cash and cash equivalents at end of period	271	769

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
2023								
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)	6	(518)
Balance at 31 March 2023	78,283	850	(81,347)	1,031	1,550	367	(2,532)	(2,165)
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	(2,532)	(2,195)
Total comprehensive income for the period	-	-	(38)	2	-	(36)	-	(36)
Balance at 30 September 2023	78,283	850	(81,111)	729	1,550	301	(2,532)	(2,231)
2022								
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
2023			
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 loss for the period	-	(374)	(374)
Balance at 30 September 2023	78,283	(73,445)	4,838
2022			
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 organised into product units and comprised of three reportable segments as follows:

- (a) The business of exploration, mining, production and sale of phosphate rocks and chemical products;
- (b) The business of trading of phosphate chemical products such as Sodium Tripolyphosphate (“STPP”) and Sodium Hexametaphosphate (“SHMP”); and
- (c) The business of trading of non-chemical products.

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 non-chemical products.

2. Basis of preparation

The condensed interim financial statements for the financial period ended 30 September 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 incurred a net loss after tax of \$0.42 million in 9M2023 (9M2022: \$1.19 million) from continuing and discontinued operations, and reported net operating cash outflows of \$1.89 million in 9M2023 (9M2022: \$1.33 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 \$10.76 million as at 30 September 2023 (31 December 2022: \$13.88 million). The Company has accumulated losses of \$73.45 million as at 30 September 2023 (31 December 2022: \$74.63 million) and has a net current liability of \$4.56 million as at 30 September 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) 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") in connection with, *inter alia*, the lease of the P4 plant owned by SMNPC to Rongda for the period of one year (the "Proposed Lease"). In connection therewith, SMNPC received a non-refundable deposit of RMB4.00 million (approximately \$0.75 million) and a non-refundable lease payment of RMB8.00 million (approximately \$1.49 million).

Pursuant to the terms and provisions of the Cooperation Agreement, SMNPC has the right to transfer the P4 plant, including the corresponding liabilities, into a newly incorporated company ("New Company"). As announced on 20 September 2023, SMNPC has received approval to incorporate the New Company, a wholly owned subsidiary, under the name of Sichuan Rongdafeng Chemical Co. Ltd. ("Sichuan Rongdafeng"). SMNPC will transfer the P4 plant, including the corresponding liabilities, into Sichuan Rongdafeng at an appropriate time. 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"). Upon the exercise of the Proposed Sale Option, the consideration to be received by SMNPC is RMB40.59 million (approximately \$7.57 million). 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.

While it was announced on 24 August 2023 that Rongda's shareholders may not wish to proceed with the transaction due to unforeseen circumstances, Rongda is actively seeking out new investment partners to work together with, or replace them in the transaction. Certain parties have also expressed interest in acquiring the P4 plant, and the management is negotiating to get them to replace Rongda. As at the date of this announcement and barring any unforeseen circumstances, the Board is not aware of any information that the Cooperation Agreement with Rongda will be terminated. Please refer to the announcement dated 20 September 2023 for the latest update on this transaction.



2. Basis of preparation (cont'd)

(c) The Group does not have any external bank borrowings save for the bank loan from Bohai Bank amounting to RMB18.80 million (approximately \$3.51 million) and which is secured against the P4 plant. Under the terms of the Cooperation Agreement, the Bohai bank loan including certain liabilities of SMNPC shall be transferred to Sichuan Rongdafeng before it is acquired by Rongda as described in the aforesaid note (b) or Rongda must either arrange for alternative financing or to settle the Bohai Bank Loan before the completion of the transaction. Please see the announcement dated 5 September 2023 for the latest update on the status of the loan.

(d) 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 renew the maturity of loan from Bohai Bank where needed.

(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) The Company and its wholly owned subsidiary, Norwest Chemicals Pte. Ltd. had on 18 August 2022 finalised its agreement with a US-based Fund that will provide non-recourse funding in respect of the arbitration fees and costs for the international investment arbitration against the People's Republic of China.

(g) As announced on 21 February 2023, the Company received the arbitral tribunal's adverse ruling on its jurisdiction and the order to the Company to inter alia pay the sums of USD0.28 million and RMB6.35 million in legal costs to China. On 20 March 2023, a petition was filed to the Swiss Supreme Court to inter alia set aside the Tribunal's jurisdictional award and the legal costs awarded. Please refer to the Company's announcement dated 19 July 2023 regarding the status of the arbitration.

(h) 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 announcement dated 9 October 2023 for more details.

(i) The company is evaluating various fund raising options to finance the above acquisition, as well as its working capital and operating requirements.

2. Basis of preparation (cont'd)

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.

2.1. New and amended standards adopted by the Group

The Group has applied the same accounting policies for the current reporting period 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 period.



4. Segment and revenue information

	Note	Exploration, mining, production and sale of phosphate rocks and chemical products (Discontinued)		Trading of phosphate chemical products (Continuing)		Trading of non-chemical products (Continuing)		Adjustments and eliminations		Total	
		Nine Months Ended 30 September		Nine Months Ended 30 September		Nine Months Ended 30 September		Nine Months Ended 30 September		Nine Months Ended 30 September	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue - external	4a,b	-	-	1,132	1,404	321	418	-	-	1,453	1,822
The following items were added to/(deducted from) segment profit/(loss) to arrive at "Loss before tax, continuing operations" presented in the Consolidated statement of comprehensive income											
Depreciation and amortisation expenses		-	-	(66)	(245)	-	-	-	-	(66)	(245)
Interest income	4c	-	136	-	-	-	-	1	(134)	1	2
Rental income		682	65	-	-	-	-	(682)	(65)	-	-
Write-off of inventories		-	-	(13)	-	-	-	-	-	(13)	-
Interest expense		(131)	(104)	(216)	(210)	-	-	131	104	(216)	(210)
Segment profit/(loss) before tax		551	97	(70)	(287)	60	85	(1,514)	(1,184)	(973)	(1,289)

Note:

4a – There was no inter-segment revenue. Revenue from continuing operations represented invoiced trading sales of chemical and non-chemical products, 15 recognised at a point in time.

4b – The amounts relating to the exploration, mining, production and sale of phosphate rocks and chemical products have been excluded to arrive at the amounts shown in the profit or loss as they are presented separately in the Statement of Comprehensive Income within one line item, "Profit/(Loss) from discontinued operations, net of tax".

4c – 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	
	Nine Months Ended 30 September	As at 30 September	As at 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
People's Republic of China	-	8	-	10,253
India	775	1,034	-	-
Ireland	321	418	-	-
Japan	134	79	-	-
Malaysia	63	64	-	-
Singapore	-	-	233	33
Others	160	219	-	-
	1,453	1,822	233	10,286

Information about major customers

	Group			
	Nine Months Ended 30 September		Nine Months Ended 30 September	
	2023		2022	
	\$'000	% of revenue	\$'000	% of revenue
<u>Revenue</u>				
Customer A	775	53%	1,034	57%
Customer B	321	22%	418	23%
Customer C	134	9%	97	5%



4. Segment and revenue information (cont'd)

Information about products

	Group	
	Nine Months Ended 30 September	
	2023	2022
	\$'000	\$'000
Sodium Trimetaphosphate (STMP)	972	1,372
Sodium Hexametaphosphate (SHMP)	160	32
Commodity product	321	418
Revenue from continuing operations	1,453	1,822

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	Group		Company	
		30 September 2023	31 December 2022	30 September 2023	31 December 2022
		\$'000	\$'000	\$'000	\$'000
Financial assets at amortised cost					
Other receivables	5a	952	24	820	24
Trade receivables		60	72	52	72
Cash and bank balances		566	757	22	81
		1,578	853	894	177
Financial liabilities at amortised cost					
Trade and other payables	5b	3,274	3,332	128	305
Interest-bearing bank loan		-	3,610	-	-
Loan due to a director		1,257	1,792	1,216	1,751
Loan due to a controlling shareholder		761	456	761	456
Lease liability		195	108	-	-
Amounts due to subsidiaries		-	-	3,548	3,463
		5,487	9,298	5,653	5,975

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

Note 5a:

	Group		Company	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Other receivables and prepayments	1,436	636	888	78
Less: Prepayments	(484)	(612)	(68)	(54)
Other receivables	952	24	820	24

Note 5b:

	Group		Company	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Trade payables	49	244	-	-
Other payables	9,122	9,136	128	305
	9,171	9,380	128	305
Less: Advance payments received on disposal of Phase 2 Factory Assets	(5,897)	(6,048)	-	-
	3,274	3,332	128	305

6. Taxation

There was no tax for the period 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.

7. Right-of-use assets

Group	Land use rights	Office premises	Total
	\$'000	\$'000	\$'000
<u>Cost</u>			
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
At 30 September 2023	-	387	387
<u>Accumulated depreciation and impairment losses</u>			
At 1 January 2022	371	190	561
Depreciation	36	-	36
Currency realignment	(42)	-	(42)
At 31 December 2022	365	190	555
Depreciation	7	1	8
Currency realignment	6	-	6
Reclassified to non-current assets classified as held for sale	(378)	-	(378)
Depreciation	-	-	-
At 30 September 2023	-	191	191
<u>Net carrying amount</u>			
At 30 September 2023	-	196	196
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 period 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	Construction-in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
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	4	2	327
Reclassified to non-current assets classified as held for sale	(7,354)	(130)	(13,784)	(204)	(107)	(21,579)
At 30 September 2023	-	278	-	630	-	908
Accumulated depreciation and impairment losses						
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	45	4	4	3	-	56
Currency realignment	80	(4)	106	(5)	2	179
Reclassified to non-current assets classified as held for sale	(5,262)	(130)	(6,876)	(154)	(107)	(12,529)
At 30 September 2023	-	255	-	626	-	881
Net carrying amount						
At 30 September 2023	-	23	-	4	-	27
At 31 December 2022	2,104	27	6,806	46	-	8,983

During the financial period ended 30 September 2023, the Group acquired assets at cost of \$2,000 (30 September 2022: \$Nil) and disposed of assets with net book value of \$Nil (30 September 2022: \$Nil).

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

The assets and liabilities of the disposal group relate 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") that are the subject of the Group's dispute with the government of the People's Republic of China (the "Chinese Government"). Please refer to the Company's announcement dated 19 July 2023 regarding the status of the arbitration.

As at 30 September 2023, the Mining Assets have been fully impaired.

Results of discontinued operations

Discontinued operations consist of the activities related to the disposal group and non-current assets classified as held for sale (Note 10).

The results of the Group's discontinued operations for the financial periods ended 30 September 2023 and 2022 are as follows:

	Discontinued Operations			
	Third Quarter Ended 30 September		Nine Months Ended 30 September	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Group				
<u>Profit or Loss</u>				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	380	64	682	201
Finance costs	(62)	(34)	(131)	(104)
Profit/(loss) before tax	318	30	551	97
Tax	-	-	-	-
Profit/(loss), net of tax	318	30	551	97

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

The cash flows attributed to discontinued operations for the financial periods ended 30 September 2023 and 2022 are as follows:

<u>Discontinued Operations</u>	Group			
	Third Quarter Ended 30 September		Nine Months Ended 30 September	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash flows from operating activities :				
Profit before taxation	318	30	551	97
Adjustments for :				
Interest expense	62	34	131	104
Other income	(380)	(64)	(682)	(201)
Net cash flows generated from/(used in) operating activities	-	-	-	-
Cash flows from investing activities :				
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	-	-	-	70
Net cash flows generated from/(used in) investing activities	-	-	2,305	70
Cash flows from financing activities :				
Net (increase)/decrease in pledged deposits	62	34	131	104
Interest paid	(62)	(34)	(131)	(104)
Net cash flows generated from/(used in) financing activities	-	-	-	-

10. 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”.

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

Group	\$'000
<u>Land use rights</u>	
At at 31 December 2022	2,406
Add: P4 right-of-use assets	1,307
Currency realignment	(112)
At 30 September 2023	3,601
<u>Property, plant and equipment</u>	
At at 31 December 2022	3,399
Add: P4 property, plant and equipment	9,050
Currency realignment	(471)
At 30 September 2023	11,978
<u>Total</u>	
At 30 September 2023	15,579
At 31 December 2022	5,805

10. 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 from “Interest-bearing bank loan” to “Liabilities associated with non-current assets classified as held for sale”. The summary is as follows:

	Group			
	30 September 2023		31 December 2022	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable				
In one year or less, or on demand	3,520	-	-	-
After one year	-	-	-	-
	3,520	-	-	-

As at 30 September 2023, the interest-bearing bank loan is secured by:

- (i) land use rights with a carrying value of \$1.26 million (RMB6.71 million);
- (ii) various Elemental phosphorus (“P4”) property, plant and equipment with a carrying value of \$8.66 million (RMB46.41 million); and
- (iii) a corporate guarantee of \$3.52 million by the Company.

11. Interest-bearing bank loan

	Group			
	30 September 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 is 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 30 September 2023, the interest-bearing bank loan was reclassified to “Liabilities associated with non-current assets classified as held for sale”.

12. Contingent liabilities

On 16 February 2023, the International Arbitration Tribunal (“the Tribunal”) made an adverse ruling on the international arbitration against the Chinese government. The Tribunal also ordered the Group to reimburse China the sums of USD0.28 million and RMB6.35 million, which amount to approximately \$1.61 million, in China’s legal costs related to the arbitration. The said

legal costs are subject to post-award interest of 8% p.a., starting from the 90th day following the date of dispatch of the award (i.e. 16 February 2023).

On 20 March 2023, the Company filed a petition to the Swiss Supreme Court seeking to, inter alia, set aside the Tribunal's jurisdictional award and the legal costs awarded. Based on the opinion of its legal counsel, the Company is of the view that the likelihood of success of the petition to the Swiss Supreme Court is plausible. Accordingly, no provision has been made for these costs and the corresponding interest in this set of financial statements.

13. Share capital

	Group and Company			
	30 September 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

14. Related party transactions

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

15. Reclassification of comparative period condensed financial statements

Certain comparative figures in the Condensed interim consolidated statement of profit or loss have been reclassified to conform with the current period presentation.

Group	Note	Nine Months Ended 30 September 2022		
		As previously announced	As reclassified	Difference
		\$'000	\$'000	\$'000
Continuing Operations				
Other income	15a	26	404	378
General and administrative costs	15a,b	(1,227)	(1,612)	(385)
Finance costs	15b	(217)	(210)	7

Note 15:

(a) Foreign exchange gain of \$378,000 was reclassified from General and administrative costs to Other income.

(b) Bank administrative charges of \$7,000 were reclassified from Finance costs to General and administrative costs.

16. Events occurring after the reporting period

There are no known subsequent events which will result in adjustments to this set of interim financial statements.

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 period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 30 September 2023 and 30 June 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 30 September 2023 and 30 September 2022.

As at 30 September 2023 and 30 September 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 period and as at the end of the immediately preceding year.

	As at	
	30 September 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 period reported on.

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

- 1(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited nor reviewed by the auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The latest audited financial statements for the financial year ended 31 December 2022 were subjected to a disclaimer opinion by the independent auditor of the Company (the "Auditor"). The following matters were included in the said audit opinion:

i) 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:

The Management is of the view that the classification of the Mining Assets as assets and liabilities of the disposal group and its results as discontinued operations, is appropriate as the recoverability of the carrying amount of the Mining Assets, if any, will be principally through the ongoing legal process with the Chinese government, and not through continuing use.

Further, as an amicable settlement with the Chinese government is unlikely, the carrying value of the Mining Assets had been fully impaired during the year ended 31 December 2021.

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

Update:

Having considered the proposed transactions in the Cooperation Agreement with Rongda, the Management has determined that the fair value less cost of disposal of the P4 plant and ROU assets was higher than its carrying value. Accordingly, the Management is of the opinion that no provision for impairment loss on the P4 plant and ROU assets were required in the financial period ended 30 September 2023.



In assessing whether an impairment of the investment in subsidiaries is required, the carrying amounts of the investment in subsidiaries were compared against the recoverable amounts of these investments which were determined based on the adjusted net assets of the subsidiaries after considering the proposed transactions in the Cooperation Agreement with Rongda. Having considered these, the management is of the opinion that no provision for impairment loss on the investment in subsidiaries was required for the financial period ended 30 September 2023.

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 period 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 period 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	Third Quarter Ended 30 September		Nine Months Ended 30 September	
	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	(356)	(237)	(973)	(1,265)
- from discontinued operations	318	30	551	97
	(38)	(207)	(422)	(1,168)
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	(0.03)	(0.02)	(0.09)	(0.12)
- from discontinued operations	0.03	0.00	0.05	0.01
	-	(0.02)	(0.04)	(0.11)

As at 30 September 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 period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Net asset / (net liabilities) value (\$'000)	(2,231)	(1,647)	4,838	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)	(0.22)	(0.16)	0.47	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 period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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

Statement of Profit of Loss

A review of the performance of the Group in 3Q2023 and 9M2023 compared to the corresponding periods in 2022.

Revenue, cost of goods sold and gross profit

The Group recorded a lower trading revenue in 3Q2023 and 9M2023 as compared to 3Q2022 and 9M2022 respectively mainly due to a lower quantity of phosphate chemical and commodity products sold.

Cost of goods sold decreased in 3Q2023 and 9M2023 in line with the lower revenue.

The gross profits of \$0.08 million and \$0.29 million in 3Q2023 and 9M2023 respectively, compared to \$0.08 million and \$0.25 million in 3Q2022 and 9M2022 respectively were due to changes in the sales mix.

Other income

The decrease in other income in 3Q2023 against 3Q2022 was mainly due to a smaller foreign exchange gain recorded due to exchange rate fluctuations, offset by a write-back of lease liabilities in 3Q2023. The increase in other income in 9M2023 against 9M2022 is largely due to the aforementioned write-back of lease liabilities.

Selling and distribution costs

Selling and distribution costs decreased in 3Q2023 against 3Q2022 due to reduced sales activity. Due to higher selling and distribution costs in 1H2023 against 1H2022 as a result of increased transportation costs, there was no significant change in selling and distribution costs in 9M2023 in comparison to 9M2022.

General and administrative costs

The decreases in the general and administrative expenses in 3Q2023 and 9M2023 against 3Q2022 and 9M2022 respectively were mainly attributed to reduced depreciation and amortisation expenses following the reclassification of land use rights and property, plant and equipment related to the P4 plant to non-current assets classified as held for sale in 1Q2023. In both 9M2023 and 9M2022, the major components of general and administrative expenses were staff costs and professional fees such as legal fees and continuing sponsor fees.



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 3Q2023 and 9M2023 against 3Q2022 and 9M2022 respectively mainly due to the accrual of interest of \$161,000 on loans owing to a director and a shareholder for 9M2023 in 3Q2023.

Other expenses

There were no other expenses in 3Q2023. Other expenses recorded in 3Q2022 related largely to a one-off write-off of other receivables.

Discontinued operations

The increases in profit from discontinued operations in 3Q2023 and 9M2023 against 3Q2022 and 9M2022 were mainly due to rental income recorded on the rent of the P4 plant to Rongda which commenced in April 2023.

The commentary above should be read in conjunction with the commentary included in our results announcements for 1Q2023 and 2Q2023 dated 9 May 2023 and 14 August 2023 respectively. The greater loss in 3Q2023 compared to 3Q2022 is mainly a result of higher finance costs recorded. The smaller loss in 9M2023 compared to 9M2022 is mainly a result of lower general and administrative costs incurred.

Statement of Financial Position

A review of the performance of the Group as at 30 September 2023 compared to 31 December 2022.

Non-current assets

The decrease in non-current assets was attributed to the reclassification of the land use rights 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 proposed disposal of the P4 plant.

Current assets

Inventory levels reduced due to the clearance of stocks during and after the Lunar New Year period, as well as a write-off of inventory damaged in a third-party owned warehouse fire in Tianjin.

The decrease in trade receivables was attributed to lower sales of commodity products toward the end of the financial period ended 30 September 2023, as compared to 31 December 2022.



The increase in other receivables and prepayments was attributed mainly to a prepayment made for court fees of \$796,000 relating to the appeal to the Swiss Supreme Court and payment of security for costs in connection with the 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).

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”.

Non-current liabilities

As at 30 September 2023 and 31 December 2022, deferred income comprised of government grants received in relation to certain plant and equipment. The decrease was mainly due to the lower carrying value of the deferred income due to exchange rate fluctuations in 9M2023.

Current liabilities

Other payables decreased mainly due to the write-back of a provision for legal fees in 9M2023.

As at 30 September 2023, deferred 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 30 September 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. Changes in the carrying value were mainly due to exchange rate fluctuations in 9M2023.

Liabilities of disposal group relate to provision for the cost of the rehabilitation of the mines. The lower carrying value was mainly due to exchange rate fluctuations in 9M2023.



Statement of Cash Flows

3Q2023

The Group reported a net cash outflow for its operating activities in 3Q2023 mainly due to payments made on a security deposit and court fees of \$506,000 in relation to the ongoing appeal to the Swiss Supreme Court.

The Group reported a net cash outflow for its investing activities in 3Q2023 mainly because of a payment made to purchase office equipment.

The Group reported a net cash outflow for its financing activities in 3Q2023 mainly due to lease payments and bank loan interest payments, partially offset by a decrease in pledged deposits. Moreover, there were lower sums set aside in pledged deposits and lower interest amounts paid on bank loans in 3Q2023 compared to 3Q2022 due to the repayment of two interest-bearing bank loans in 4Q2022.

As a result of the above, in 3Q2023, after accounting for the minor effects of exchange rate fluctuations, there was a net decrease in cash and cash equivalents of \$0.74 million.

9M2023

The Group reported a net cash outflow for its operating activities in 9M2023 mainly due to payments made on a security deposit and court fees of \$796,000 in relation to the ongoing appeal to the Swiss Supreme Court.

The Group reported a net cash inflow for its investing activities in 9M2023 mainly because of payments received from Rongda in relation to the lease of the P4 plant.

The Group reported a net cash outflow for its financing activities in 9M2023 mainly due to a repayment of the loan from a director of \$1.00 million, partially offset by additional loans from a director and a shareholder which totaled \$0.61 million.

As a result of the above, after accounting for the minor effects of exchange rate fluctuations, cash and cash equivalents remained unchanged as at the end of 9M2023.

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

The commentary above should be read in conjunction with the commentary included in our results announcements for 1Q2023 and 2Q2023 dated 9 May 2023 and 14 August 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 3Q2023 and 9M2023 are in line with the profit guidance issued on 6 November 2023.



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.

China's economy grew by 4.9% in the third quarter of 2023, year-on-year, exceeding consensus estimates. This suggests that the stimulus launched by the Chinese government in recent months may be helping to bolster a recovery from the COVID-19 pandemic slump. However, domestic consumer demand remains insufficient and a deepening downturn in the domestic property market threatens the economy. Further, global outlook remains pessimistic as international conflicts persist and US-China tensions continue to build.

To mitigate the impact of the above on the Group's trading conditions, the Management will continue to grow the market and geographical base of its phosphate chemical products and seek out suitable and profitable corporate, business and financing opportunities to enhance shareholders' value.

As announced on 12 June 2023, 28 June 2023, 3 July 2023, and 24 August 2023, there are potential disruptions to the transaction with Rongda. Certain parties have expressed interest in acquiring the P4 assets, and the management is currently in negotiations with these parties.

As disclosed under Notes 9 and 12 of Section E, the Group's investment dispute with the Chinese Government is under appeal to the Swiss Supreme Court. Please refer to the Company's announcement dated 19 July 2023 for further details. China has submitted a reply to the Swiss Supreme Court. The Group's lawyers have submitted a response to China's reply to the Swiss Supreme Court. The Group will make the requisite announcements in accordance with the Catalist Listing Rules when there are material developments.

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.



11. Dividend

- (a) Current Financial Period Reported On:** Any dividend declared for the current financial period reported on?

Nil.

- (b) Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) Date payable**

Not applicable.

- (e) Record date**

Not applicable.

- 12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period ended 30 September 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.

Between 2019 and 2023, Dr Ong has extended the following loans to the Company, and the Company has made the following repayment(s):

Month and year	Loan amount S\$	Amount repaid S\$	Total
August 2019	\$ 200,000	-	\$ 200,000
February 2020	\$ 150,000	-	\$ 150,000
June 2020	\$ 200,000	-	\$ 200,000
August 2020	\$ 200,000	-	\$ 200,000
November 2020	\$ 100,000	-	\$ 100,000
January 2021	\$ 100,000	-	\$ 100,000
February 2021	\$ 100,000	-	\$ 100,000
March 2021	\$ 100,000	-	\$ 100,000
June 2021	\$ 150,000	-	\$ 150,000
July 2021	\$ 100,000	-	\$ 100,000
August 2021	\$ 50,000	-	\$ 50,000
October 2021	\$ 150,000	-	\$ 150,000
February 2023	\$ 100,000	-	\$ 100,000
March 2023	\$ 255,000	-	\$ 255,000
May 2023	-	\$ (1,000,000)	\$ (1,000,000)
Total	\$1,955,000	\$(1,000,000)	\$955,000

As at 30 September 2023, the net loans from Dr. Ong amounted to \$955,000.

Astute Ventures Pte Ltd, (“Astute Ventures”) a controlling shareholder, has extended loans to the Company of \$201,750 in April 2021, \$211,120 in May 2021, \$20,000 in September 2021, and \$255,000 in March 2023. As at 30 September 2023, the loans from Astute Ventures amounted to \$687,870. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 8% per annum (11% per annum from 1 January 2023).

As at 30 September 2023, the accrued accumulated interests on the these loans due to Dr. Ong and Astute Ventures amounted to \$261,000 and \$73,000 respectively.

As announced on 27 October 2023, the Singapore Exchange Trading Securities Limited (“SGX-ST”) has informed that the Company may use its 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 for as long as its net tangible assets (“NTA”) remains negative. Based on the loans extended as at 30 September 2023, the aggregate values of interests accrued, unaccrued and/or payable for both loans from Dr Ong and Astute Ventures amounted to S\$334,000 or approximately 1.9% of the Company’s market capitalization as at 31 December 2022 of approximately S\$ 17.5 million.

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.

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	\$261,000 ^(a)	Not applicable
Astute Ventures Pte Ltd	Controlling shareholder	\$73,000 ^(b)	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. As at 30 September 2023, the net loans amounted to \$955,000 with interest accrued from August 2019 to December 2021 and January to September 2023, amounted to \$261,000.
- b) As explained in the previous paragraphs, Astute Ventures has extended several loans to the Company during April 2021 to March 2023. As at 30 September 2023, the loans amounted to \$687,870 with interest accrued from April to December 2021 and January to September 2023 amounted to \$73,000.

14. Negative confirmation pursuant to the Rule 705(5) of the Catalist Listing

The Board hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for 3Q2023 and 9M2023 to be false or misleading in any material aspect.

15. 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.

On behalf of the Board,

Dr Ong Hian Eng
CEO and Executive Director

Ong Eng Hock Simon
Director

10 November 2023

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

