



ASIAPHOS LIMITED

Company Registration Number: 201200335G

UNAUDITED CONDENSED FINANCIAL STATEMENTS ANNOUNCEMENT FOR FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2024

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		
		First Quarter Ended 31 March		
		2024	2023	Change
		\$'000	\$'000	%
Continuing operations				
Revenue	E4	260	584	(55)
Cost of sales		(210)	(442)	(52)
Gross profit		50	142	(65)
Other income		2	47	(96)
Selling and distribution costs		(16)	(42)	(62)
General and administrative costs		(358)	(746)	(52)
Finance costs		(87)	(52)	67
Other expenses		-	-	N.M.
Loss before tax, from continuing operations		(409)	(651)	(37)
Taxation	E6	(17)	-	N.M.
Loss from continuing operations, net of tax		(426)	(651)	(35)
Discontinued operation				
Loss from discontinued operations, net of tax	E9	(21)	(7)	200
Loss for the period		(447)	(658)	(32)
Other comprehensive income				
Items that may not be recycled to profit or loss				
Foreign currency translation gain *		30	131	(77)
Total comprehensive loss for the period		(417)	(527)	(21)
Net loss for the period attributable to:				
Owners of the Company				
- Continuing operations, net of tax		(426)	(651)	(35)
- Discontinued operation, net of tax		(21)	(7)	200
		(447)	(658)	(32)
Non-controlling interest				
- Continuing operations, net of tax		-	-	N.M.
- Discontinued operation, net of tax		-	-	N.M.
		-	-	N.M.
Loss for the period		(447)	(658)	(32)
Total comprehensive loss for the period attributable to:				
Owners of the Company		(416)	(524)	(21)
Non-controlling interest		(1)	(3)	(67)
Total comprehensive loss for the period		(417)	(527)	(21)
Attributable to owners of the Company				
Total comprehensive profit/(loss) for the period from:				
- Continuing operations, net of tax *		(426)	(651)	(35)
- Discontinued operation, net of tax *		10	127	(92)
Total comprehensive loss for the period attributable to owners of the Company		(416)	(524)	(21)

* - Foreign currency translation gain recognised as other comprehensive income was reclassified from continuing to discontinued operations for the comparative period.

N.M. - Not Meaningful



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

	Group	
	First Quarter Ended 31 March	
Earnings/(losses) per share	2024	2023
Losses per share for the period/year attributable to the owners of the Company:		
Basic losses per share (cents)		
- from continuing operations	(0.04)	(0.06)
- from discontinued operations	(0.002)	(0.001)
	<u>(0.042)</u>	<u>(0.061)</u>
Diluted losses per share (cents)		
- from continuing operations	(0.04)	(0.06)
- from discontinued operations	(0.002)	(0.001)
	<u>(0.042)</u>	<u>(0.061)</u>

Foreign currency translation gain represents 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 period profit/(loss) unless the underlying assets or liabilities of the PRC subsidiaries are disposed of.

In the first quarter ended 31 March 2024 (“1Q2024”), the Group recorded a translation gain of \$0.03 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		
	First Quarter Ended 31 March		
	2024	2023	Change
	\$'000	\$'000	%
Interest income			
- continuing operations #	2	-	N.M.
Finance costs			
- continuing operations	(87)	(52)	67
- discontinued operations	(21)	(7)	200
Amortisation and depreciation *			
- continuing operations	(11)	(60)	(82)
Foreign exchange gain/(loss) #/(*)	(18)	46	N.M.

N.M. - Not Meaningful

* - Included in General and administrative costs

- Included in Other income



B. Condensed interim statements of financial position

	Note	Group		Company	
		As at		As at	
		31 March 2024 \$'000	31 December 2023 \$'000	31 March 2024 \$'000	31 December 2023 \$'000
ASSETS					
Non-current assets					
Right-of-use assets	E7	178	186	-	-
Property, plant and equipment	E8	24	27	-	-
Mining properties	E10	-	-	-	-
Goodwill	E11	-	-	-	-
Deferred tax assets		162	178	-	-
Other receivables and prepayments		10	10	-	-
Investment in subsidiaries		-	-	-	-
		374	401	-	-
Current assets					
Inventories		92	52	-	-
Trade receivables		1	51	-	50
Other receivables and prepayments	E5	522	468	48	50
Amount due from subsidiary		-	-	557	-
Cash and bank balances		8,312	865	107	61
		8,927	1,436	712	161
Assets of disposal group	E9	13,702	13,665	-	-
Non-current assets held for sale	E13	5,563	5,546	-	-
		28,192	20,647	712	161
Total Assets		28,566	21,048	712	161
EQUITY					
Share capital	E14	78,283	78,283	78,283	78,283
Reserves	D	(76,369)	(75,953)	(85,746)	(85,437)
Equity attributable to owners of the Company		1,914	2,330	(7,463)	(7,154)
Non-controlling interest		(2,534)	(2,533)	-	-
Total equity		(620)	(203)	(7,463)	(7,154)
LIABILITIES					
Non-current liabilities					
Deferred grant income		1,817	1,812	-	-
Provision for reinstatement cost	E12	769	767	-	-
Lease liability		151	159	-	-
		2,737	2,738	-	-
Current liabilities					
Trade payables		50	49	-	-
Other payables	E5	20,498	8,950	1,796	1,737
Contract liabilities		186	524	-	-
Loan due to a director		1,809	1,753	1,768	1,713
Loan due to a controlling shareholder		1,148	1,121	1,148	1,121
Lease liability		30	30	-	-
Amounts due to subsidiaries		-	-	3,463	2,744
		23,721	12,427	8,175	7,315
Liabilities of disposal group	E9	2,728	6,086	-	-
		26,449	18,513	8,175	7,315
Total Liabilities		29,186	21,251	8,175	7,315
Total Equity and Liabilities		28,566	21,048	712	161

C. Condensed interim consolidated statement of cash flows

	Note	Group	
		First Quarter Ended	
		31 March	
		2024	2023
		\$'000	\$'000
Cash flows from operating activities:			
Loss before taxation from:			
- continuing operations		(409)	(651)
- discontinued operations		(21)	(7)
Loss before taxation		(430)	(658)
Adjustments for:			
Depreciation		11	60
Finance costs		108	59
Interest income		(2)	-
Unrealised exchange (gain)/loss		7	(40)
Operating cash outflow before working capital changes		(306)	(579)
(Increase)/decrease in inventories		(40)	126
(Increase)/decrease in trade and other receivables		(3)	(232)
Increase/(decrease) in trade and other payables		111	343
Cash generated used in operations		(238)	(342)
Interest received		2	-
Tax paid		-	-
Net cash flows used in operating activities		(236)	(342)
Cash flows from investing activities:			
Payments for property, plant and equipment		-	(1)
Advance payment received on disposal of P4 plant		3,748	777
Net cash flows generated from investing activities		3,748	776
Cash flows from financing activities:			
Repayment of bank loan		(3,390)	-
Decrease in pledged deposits		241	58
Repayment of lease liabilities		(7)	(6)
Interest paid		(24)	(59)
Drawdown of loan from a controlling shareholder		-	255
Drawdown of loan from a director		-	355
Net cash flows generated from/(used in) financing activities		(3,180)	603
Net increase in cash and cash equivalents		332	1,037
Cash and cash equivalents at beginning of period		426	271
Effects of exchange rate changes on cash and cash equivalents		2	1
Cash and cash equivalents at end of period	C1	760	1,309

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	
	31 March	
	2024	2023
	\$'000	\$'000
Cash and bank balances	8,312	1,745
Less: pledged deposits for bank loans	-	(228)
Less: restricted use of escrow account balances	(7,350)	-
Less: restricted use of mining deposits	(202)	(208)
Cash and cash equivalents at end of period	760	1,309

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

The 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.

The escrow account balances relate to amounts received from Rongda that will be released to the Group when transfer of the P4 Plant Assets, relevant personnel and the P4 Plant Liabilities from SMNPC to Rongdafeng had been completed. An amount of RMB39.39 million were released on 12 April 2024. However, a balance of RMB7 million remains frozen in relation to an ongoing court order, which is separate from and not connected with the disposal of the P4 Plant to Rongda. Please see the Company's announcement dated 27 March 2024 for further details on the court order.

Please refer to the Company's announcement on the same date and Note 2(b) below for details.



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
2024								
Balance at 1 January 2024	78,283	850	(78,493)	140	1,550	2,330	(2,533)	(203)
Total comprehensive profit/(loss) for the period	-	-	(447)	31	-	(416)	(1)	(417)
Balance at 31 March 2024	78,283	850	(78,940)	171	1,550	1,914	(2,534)	(620)
2023								
Balance at 1 January 2023	78,283	850	(80,567)	897	1,550	1,013	(2,538)	(1,525)
Total comprehensive profit/(loss) for the period	-	-	(658)	134	-	(524)	5	(519)
Balance at 31 March 2023	78,283	850	(81,225)	1,031	1,550	489	(2,533)	(2,044)
Total comprehensive profit/(loss) for the period	-	-	274	(304)	-	(30)	-	(30)
Balance at 30 June 2023	78,283	850	(80,951)	727	1,550	459	(2,533)	(2,074)
Total comprehensive income for the period	-	-	(38)	2	-	(36)	1	(35)
Balance at 30 September 2023	78,283	850	(80,989)	729	1,550	423	(2,532)	(2,109)
Total comprehensive income for the period	-	-	2,496	(589)	-	1,906	(1)	1,905
Balance at 31 December 2023	78,283	850	(78,493)	140	1,550	2,330	(2,533)	(203)



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

Company	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
2024			
Balance at 1 January 2024	78,283	(85,437)	(7,154)
Total comprehensive profit/(loss) for the period	-	(309)	(309)
Balance at 31 March 2024	78,283	(85,746)	(7,463)
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 profit/(loss) for the period	-	(374)	(374)
Balance at 30 September 2023	78,283	(73,445)	4,838
Total comprehensive profit/(loss) for the period	-	(11,992)	(11,992)
Balance at 31 December 2023	78,283	(85,437)	(7,154)



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 Catalyst Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 7 October 2013.

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

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

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

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

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

2. Basis of preparation

The condensed interim financial statements for the financial period ended 31 March 2024 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 2023.

The accounting policies adopted are consistent with those of the previous financial period which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below. These financial statements are presented in Singapore Dollars which is the Company’s functional currency and rounded to the nearest thousand (\$’000) unless otherwise stated.



2. Basis of preparation (cont'd)

Going concern

The Group reported a net loss after tax of \$0.43 million in 1Q2024 (1Q2023: \$0.65 million) from continuing operations, and a net loss after tax of \$0.02 million (1Q2023: \$0.01 million) from discontinued operations in 1Q2024. On the overall, from both continuing and discontinued operations, the Group reported a net loss after tax of \$0.45 million (1Q2023: \$0.66 million), and reported net operating cash outflows of \$0.24 million in 1Q2024 (1Q2023: \$0.34 million).

Excluding non-current assets classified as held for sale, as well as the assets and liabilities of the disposal group, the Group's current liabilities exceeded its current assets by \$14.79 million as at 31 March 2024 (31 December 2023: \$10.99 million).

The Company has accumulated losses of \$85.75 million as at 31 March 2024 (31 December 2023: \$85.44 million) and has a net current liability of \$7.46 million as at 31 March 2024 (31 December 2023: \$7.15 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 continues to generate cash flows from its trading activities comprising phosphate chemical products and commodity products.

(b) The Group has received proceeds from the disposal of the P4 plant sufficient to settle its existing obligations, as well as fund its operations and future investment activities.

In 2023, the Group, via Sichuan Mianzhu Norwest Phosphate Chemical Co., Ltd ("SMNPC"), entered into a Cooperation Agreement and subsequent supplemental agreements (collectively hereinafter referred to as the "Cooperation Agreement") with Sichuan Rongda Yuexiang Chemical Group Co., Ltd. ("Rongda") related to disposal of the P4 Plant to Rongda, for a cash consideration of RMB71.39 million. The cash consideration is inclusive of RMB8 million in respect of a 12-month lease of the P4 Plant Assets to Rongda from March 2023 (the "rental"), RMB4 million of deposit (the "deposit") and RMB20 million for repayment of SMNPC's bank loan which is secured by the P4 Plant Assets. The rental and deposit are non-refundable if Sichuan Mianzhu is not in breach of the Cooperation Agreement.

SMNPC has transferred the P4 Plant Assets to its newly incorporated subsidiary, Sichuan Rongdafeng Chemical Co. Ltd. ("Rongdafeng"), and shall subsequently transfer its entire equity interest in Rongdafeng to Rongda or the designated party by Rongda. Pursuant to the Cooperation Agreement, Rongdafeng shall assume trade and other payables relating to the P4 Plant of RMB14.61 million (the "P4 Plant Liabilities").

As at 31 December 2023, the Group had received RMB12 million in respect of the rental and deposit. In January 2024, the Group received RMB20 million from Rongda and utilised the amount to repay the bank loan RMB18.09 million (equivalent to \$3,367,000) as at 31 December 2023.



2. Basis of preparation (cont'd)

Going concern (cont'd)

(b) (cont'd) In February 2024, Rongda paid the remaining balance of the proceeds of RMB39.39 million into an escrow account pursuant to a Supplementary Cooperation Agreement II dated 29 January 2024.

In March and April 2024, the transfer of the P4 Plant Assets, relevant personnel and the P4 Plant Liabilities from SMNPC to Rongdafeng had been completed. The amount in the escrow account had been released to the Group on 12 April 2024, save for a balance of RMB7 million that has to remain frozen in relation to an ongoing court order, which is separate from and not connected with the disposal of the P4 Plant to Rongda. Please see the Company's announcement dated 27 March 2024 for further details on the court order.

The completion of the disposal of the P4 Plant is subject to, among others, regulatory approval and consent and SMNPC's transfer of its 100% equity interest in Rongdafeng to Rongda. The Group has up to 36 months from 30 January 2024 to complete the transfer of its entire equity interest in Rongdafeng to Rongda.

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

(d) The Group's controlling shareholders have provided undertakings that they will not demand repayment of the loans due from the Group and the Company and will continue to provide financial support to ensure that the Group is able to operate as a going concern for a period of at least twelve months from the date of approval of the issue of the financial statements for the year ended 31 December 2023. This is subject to the condition that the controlling shareholders' (and their respective connected parties as disclosed in the Company's announcement dated 28 March 2024) aggregate shareholding continuing to remain above 50%.

(e) In November 2021, SMNPC entered into a sale and purchase agreement ("SPA") with Sichuan Mianzhu Huaxinfeng Food Co., Ltd ("Huaxinfeng") relating to the proposed disposal of its Phase 2 Factory Assets and the associated land use rights for cash consideration of RMB31.50 million which had been fully received in prior years.

Completion of the disposal of the Phase 2 Factory Assets is pending the transfer of the title deeds of the Phase 2 Factory Assets and the related documents to the Purchaser. As announced on 4 July 2023, further delays to the completion of the transaction are expected as the Mianzhu Land Management Bureau has requested additional information pertaining to the Phase 2 Factory Assets. Both Sichuan Mianzhu and the Purchaser are working to comply with the requirements promptly to expedite the process. The Board is not aware of any information which may suggest that the transaction will not be completed.

(f) 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.

2. Basis of preparation (cont'd)

Going concern (cont'd)

(g) As announced on 6 May 2024, the Company has issued circular for, *inter-alia*, the business diversification (to further expand the existing trading business and to include renewable energy business) and to be tabled at the upcoming EGM to be held on 28 May 2024.

(h) The Group will explore other fund raising exercise as and when required. The Group has announced on 28 March 2024 a rights issue of shares for up to \$2.60 million in net proceeds under the maximum scenario as defined therein. The Company is undertaking the rights issue with the objectives of: (i) augmenting and strengthening the Group's equity base, which had been eroded from past losses; and (ii) minimizing or "conserving" cash outflows needed for the repayment of the outstanding loans due to a controlling shareholder and director.

Any proceeds raised from the rights issue in excess of the offsetting arrangements will further strengthen the Group's financial position and augment its existing cash balances whilst raising further cash and working capital for the Group's existing operations and future expansion activities. Furthermore, as at the date of this announcement, the Board is not aware of any demand, claims or liabilities against or of the Group that it is not in a position to settle.

Based on the aforementioned, the Board believes the Group is able to continue to operate as a going concern and has sufficient working capital for the next twelve months. In addition, the Board confirms that the shares of the Company are able to continue trading and that sufficient information has been disclosed to ensure fair and orderly trading.

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 period except for the adoption of new or revised standards that are effective for the financial period beginning on or after 1 January 2024. 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 and sale of phosphate rocks (Discontinued)		Trading of phosphate chemical products (Continuing)		Trading of non-chemical products (Continuing)		Adjustments and eliminations		Total (Continuing)	
		First Quarter Ended 31 March		First Quarter Ended 31 March		First Quarter Ended 31 March		First Quarter Ended 31 March		First Quarter Ended 31 March	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue - external	4a	-	-	208	517	52	67	-	-	260	584
Depreciation		-	-	(11)	(60)	-	-	-	-	(11)	(60)
Interest income		-	-	2	-	-	-	-	-	2	-
Finance costs	4b	(21)	(7)	(87)	(52)	-	-	21	7	(87)	(52)
Segment profit/(loss) before tax		(21)	(7)	(36)	15	11	15	(363)	(674)	(409)	(651)

Notes:

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

4b – Adjustments related to elimination of items related to discontinued operations.

Geographical information

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

	Group			
	Revenue		Non-current assets	
	First Quarter Ended 31 March		As at 31 March	As at 31 December
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
People's Republic of China	-	-	-	-
India	110	344	-	-
Ireland	52	67	-	-
Malaysia	-	108	-	-
Singapore	-	-	212	223
Others	98	65	-	-
	260	584	212	223

Note:

In 1Q2024, there was no export to Malaysia and decreased in export to India compared to 1Q2023 mainly due to increased competition from other Chinese Suppliers and the Group's lack of Ecovadis Registration. The Company's subsidiary is in the process of applying for Ecovadis.

Non-current assets for 31 March 2024 and 31 December 2023 are excluded deferred tax assets..



4. Segment and revenue information (cont'd)

Information about major customers

	Group			
	First Quarter Ended 31 March		First Quarter Ended 31 March	
	2024		2023	
	\$'000	% of revenue	\$'000	% of revenue
<u>Revenue</u>				
Customer A	110	42%	344	59%
Customer B	58	22%	108	18%
Customer C	55	21%	67	11%

Note: The above customers represent the top three customers in each period. The customers may not be the same across the periods.

Information about products

	Group	
	First Quarter Ended 31 March	
	2024	2023
	\$'000	\$'000
Sodium Trimetaphosphate (STMP)	150	453
Sodium Hexametaphosphate (SHMP)	58	64
Commodity product	52	67
Revenue from continuing operations	260	584

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	
		31 March 2024	31 December 2023	31 March 2024	31 December 2023
		\$'000	\$'000	\$'000	\$'000
<u>Financial assets at amortised cost</u>					
Other receivables	5a	99	103	14	19
Trade receivables		1	51	-	50
Cash and bank balances		8,312	865	107	61
		8,412	1,019	121	130
<u>Financial liabilities at amortised cost</u>					
Trade and other payables	5b	2,396	2,393	1,796	1,737
Loan due to a director		1,809	1,753	1,768	1,713
Loan due to a controlling shareholder		1,148	1,121	1,148	1,121
Lease liability		181	189	-	-
Amounts due to subsidiaries		-	-	3,463	2,744
		5,534	5,456	8,175	7,315

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

Note 5a:

	Group		Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
Other receivables and prepayments (net of impairment)	522	468	48	50
Less: Prepayments	(423)	(365)	(34)	(31)
Other receivables (net of impairment)	99	103	14	19

Other receivables as at 31 March 2024 included deposits related to the mining operations, which were reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023 and 31 March 2024, they had been fully impaired.

Note 5b:

	Group		Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
Trade payables	50	49	-	-
Other payables	20,498	8,950	1,796	1,737
	20,548	8,999	1,796	1,737
Less: Advance payments received on proposed disposal of the Phase 2 Factory Assets (included in other payables)	(5,878)	(5,862)	-	-
Less: Advance payments received on proposed disposal of the P4 Plant (included in other payables)	(12,274)	(744)		
	2,396	2,393	1,796	1,737

6. Taxation

The components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	First Quarter Ended 31 March	
	2024	2023
	\$'000	\$'000
Continuing operations		
Deferred tax expense on unremitted foreign income	(17)	-
Income tax attributable to continuing operations	(17)	-
Discontinued operations		
Reversal of deferred tax assets recognized in prior years	-	-
Income tax attributable to discontinued operations	-	-

7. Right-of-use assets

Group	Land use rights	Office premises	Total
	\$'000	\$'000	\$'000
Cost			
At 1 January 2023	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
Lease expiry	-	(190)	(190)
At 31 December 2023	-	197	197
Currency realignment	-	-	-
At 31 March 2024	-	197	197
Accumulated depreciation and impairment losses			
At 1 January 2023	365	190	555
Depreciation	7	11	18
Currency realignment	6	-	6
Reclassified to non-current assets classified as held for sale	(378)	-	(378)
Lease expiry	-	(190)	(190)
At 31 December 2023	-	11	11
Depreciation	-	8	8
At 31 March 2024	-	19	19
Net carrying amount			
At 31 March 2024	-	178	178
At 31 December 2023	-	186	186

Land use rights relate to a plot of leasehold land located in Sichuan Province, PRC on which the 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 Assets, land use rights with carrying value of \$1.31 million (RMB6.72 million) were reclassified to assets of disposal group (Note 9) in the financial year ended 31 December 2023.

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

8. Property, plant and equipment

Group	Buildings	Leasehold improvements	Plant and machinery	Motor vehicles and office equipment	Mining infrastructure	Construction-in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost							
At 1 January 2023	7,241	412	13,572	828	-	105	22,158
Additions	-	-	-	2	-	-	2
Reclassification from assets of disposal group (Note 9)	1,386	-	1,908	117	14,044	133	17,588
Reclassification to assets of disposal group (Note 9)	(7,179)	(371)	(13,487)	(428)	627	(99)	(20,937)
Currency realignment	(62)	-	(85)	(5)	(627)	(6)	(785)
At 31 December 2023	1,386	41	1,908	514	14,044	133	18,026
Currency realignment	4	-	5	1	38	-	48
At 31 March 2024	1,390	41	1,913	515	14,082	133	18,074
Accumulated depreciation and impairment losses							
At 1 January 2023	5,137	385	6,766	782	-	105	13,175
Depreciation	37	6	4	4	-	-	51
Reversal of impairment loss	(1,108)	-	(2,984)	-	-	-	(4,092)
Reclassification from assets of disposal group (Note 9)	1,386	-	1,908	117	14,044	133	17,588
Reclassification to assets of disposal group (Note 9)	(4,004)	(371)	(3,701)	(390)	627	(99)	(7,938)
Currency realignment	(62)	-	(85)	(5)	(627)	(6)	(785)
At 31 December 2023	1,386	20	1,908	508	14,044	133	17,999
Depreciation	-	2	-	1	-	-	3
Currency realignment	4	-	5	1	38	-	48
At 31 March 2024	1,390	22	1,913	510	14,082	133	18,050
Net carrying amount							
At 31 March 2024	-	19	-	5	-	-	24
At 31 December 2023	-	21	-	6	-	-	27

During the financial period ended 31 March 2024, the Group acquired assets at cost of \$Nil (31 March 2023: \$1,000) and disposed of assets with net book value of \$Nil (31 March 2023: \$Nil).

Property, plant and equipment as at 31 March 2024 included mining-related property, plant and equipment, which were reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023 and 31 March 2024, they had been fully impaired.

Pursuant to the Cooperation Agreement signed with Rongda in relation to the disposal of the P4 Plant Assets, property, plant and equipment with carrying value of \$13 million (RMB66.83 million) in the financial year ended 31 December 2023.

Depreciation of property, plant and equipment is recognised in the “General and administrative costs” in the consolidated statement of comprehensive income.

9. Disposal group and discontinued operations

Mining Assets and Liabilities

In 2017, the Group commenced discussions with the Chinese Government on the Mianzhu City Government's request for the Group to provide a letter of undertaking to inter alia, vacate and rehabilitate its mining sites in respect of SMNPC's Mine 2 and Fengtai Mine, and the non-renewal of SMNPC's Mine 1 mining and exploration licenses (collectively, the "Mining Assets"). Consequently, the Mining Assets were reclassified to assets of disposal group, and the provision made for the cost of rehabilitation of the mines was reclassified to liabilities of disposal group in the financial period ended 31 December 2017.

In February 2023, the International Arbitration Tribunal ruled that Article 13(3) of China-Singapore Bilateral Investment Treaty (1985) did not afford jurisdiction over the Group's expropriation claims and Article 4 of the Treaty did not afford jurisdiction over the remaining claims. The Group filed a petition to the Swiss Supreme Court on 20 March 2023 seeking inter alia, to set aside the International Arbitration Tribunal jurisdictional award and the legal costs awarded to China. As announced on 25 January 2024, the Group was unsuccessful in its appeal to the Swiss Supreme Court. The Board had ascertained that it was no longer appropriate to continue to classify the Mining Assets Group as a disposal group. As such, the Mining Assets Group were reclassified from assets of disposal group to property, plant and equipment (Note 8), mining properties (Note 10), goodwill (Note 11) and other receivables (Note 5), and provision for rehabilitation was reclassified from liabilities of disposal group to provision for reinstatement cost (Note 12) during the financial year ended 31 December 2023.

As at 31 December 2023 and 31 March 2024, the Mining Assets had been fully impaired.

P4 Plant Assets and Liabilities

In 2023, the Group, via SMNPC, entered into a Cooperation Agreement related to disposal of the P4 Plant to Rongda. Please see Note 2(b) for the details. Accordingly, the P4 Plant Assets and Liabilities were reclassified to assets and liabilities of disposal group in the Group's consolidated balance sheet.

The summary of the P4 Plant Assets is as follows:

Group	\$'000
<u>Right-of-use assets (land use rights)</u>	
At 1 January 2023	-
Reclassification from right-of-use assets (Note 7)	1,308
Currency realignment	(61)
At 31 December 2023	1,247
Currency realignment	3
At 31 March 2024	1,250
<u>Property, plant and equipment</u>	
At 1 January 2023	-
Reclassification from property, plant and equipment (Note 8)	12,999
Currency realignment	(581)
At 31 December 2023	12,418
Currency realignment	34
At 31 March 2024	12,452
<u>Total</u>	
At 31 March 2024	13,702
At 31 December 2023	13,665



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

The summary of the P4 Plant Liabilities is as follows:

Group	\$'000
<u>Interest-bearing bank loan</u>	
At 1 January 2023	-
Reclassification from interest-bearing bank loan	3,367
At 31 December 2023	3,367
Repayment	(3,390)
Currency realignment	23
At 31 March 2024	-
<u>Other payables</u>	
At 1 January 2023	-
Reclassification from other payables	2,719
At 31 December 2023	2,719
Currency realignment	9
At 31 March 2024	2,728
<u>Total</u>	
At 31 March 2024	2,728
At 31 December 2023	6,086

Results of discontinued operations

Discontinued operations consist of the activities related to the P4 Plant Assets.

The results of the Group's discontinued operations for the financial period ended 31 March 2024 are as follows:

Group	Note	Discontinued Operations	
		First Quarter Ended	
		2024	2023
		\$'000	\$'000
<u>Profit or Loss</u>			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Finance costs	9a	(21)	(7)
Loss before tax		(21)	(7)
Taxation		-	-
Loss, net of tax		(21)	(7)

Note 9a:

Finance costs in the current financial period comprised interest incurred on an interest-bearing bank loan, for which the P4 Plant Assets were pledged as collateral. The bank loan had been fully repaid in January 2024.



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

The cash flows attributed to discontinued operations for the financial period ended 31 March 2024 are as follows:

Discontinued Operations	Group	
	First Quarter Ended 31 March	
	2024	2023
	\$'000	\$'000
Cash flows from operating activities:		
Loss before taxation	(21)	(7)
Adjustments for:		
Interest expense	21	7
Net cash flows generated from operating activities	-	-
Cash flows from investing activities:		
Net cash flows generated from investing activities	-	-
Cash flows from financing activities :		
Net decrease in pledged deposits	21	7
Interest paid	(21)	(7)
Net cash flows generated from financing activities	-	-
Net increase in cash and cash equivalents	-	-

10. Mining properties

Group	Exploration and evaluation assets	Producing mines	Total
	\$'000	\$'000	\$'000
Cost			
At 1 January 2023, 31 March 2023, 30 June 2023, 30 September 2023	-	-	-
Reclassification from assets of disposal group (Note 9)	26,288	34,172	60,460
Currency realignment	(1,174)	(1,526)	(2,700)
At 31 December 2023	25,114	32,646	57,760
Currency realignment	67	88	155
At 31 March 2024	25,181	32,734	57,915
Accumulated depreciation and impairment losses			
At 1 January 2023, 31 March 2023, 30 June 2023, 30 September 2023	-	-	-
Reclassification from assets of disposal group (Note 9)	26,288	34,172	60,460
Currency realignment	(1,174)	(1,526)	(2,700)
At 31 December 2023	25,114	32,646	57,760
Currency realignment	67	88	155
At 31 March 2024	25,181	32,734	57,915
Net carrying amount			
At 31 March 2024	-	-	-
At 31 December 2023	-	-	-

Mining properties were reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023 and 31 March 2024, the mining properties had been fully impaired.

11. Goodwill

	\$'000
<u>Cost</u>	
At 1 January 2023, 31 March 2023, 30 June 2023, 30 September 2023	-
Reclassification from assets of disposal group (Note 9)	12,249
At 31 December 2023 and 31 March 2024	12,249
<u>Accumulated impairment losses</u>	
At 1 January 2023, 31 March 2023, 30 June 2023, 30 September 2023	-
Reclassification from assets of disposal group (Note 9)	12,249
At 31 December 2023 and 31 March 2024	12,249
<u>Net carrying amount</u>	
At 31 December 2023 and 31 March 2024	-

Goodwill was reclassified from assets of disposal group (Note 9) in the financial year ended 31 December 2023. As at 31 December 2023 and 31 March 2024, goodwill had been fully impaired.

12. Provision for reinstatement cost

	\$'000
At 1 January 2023, 31 March 2023, 30 June 2023, 30 September 2023	27
Reclassification from assets of disposal group (Note 9)	764
Currency realignment	(24)
At 31 December 2023	767
Currency realignment	2
At 31 March 2024	769

Provision for the cost of rehabilitation of the mines was reclassified from liabilities of disposal group (Note 9) during the financial year ended 31 December 2023.



13. Non-current assets held for sale

Non-current assets held for sale comprised the carrying value of the Phase 2 Factory Assets. Please see Note 2(e) for details.

The summary of the assets is as follows:

Group	\$'000
<u>Right-of-use assets (land use rights)</u>	
At 1 January 2023	2,406
Currency realignment	(107)
At 31 December 2023	2,299
Currency realignment	7
At 31 March 2024	2,306
<u>Property, plant and equipment</u>	
At 1 January 2023	3,399
Currency realignment	(152)
At 31 December 2023	3,247
Currency realignment	10
At 31 March 2024	3,257
<u>Total</u>	
At 31 March 2024	5,563
At 31 December 2023	5,546

14. Share capital

	Group and Company			
	31 March 2024		31 December 2023	
	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

15. Related party transactions

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

16. Events occurring after the reporting year

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



F. Other information required by Appendix 7C of the Catalyst 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 period. 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 period.

As at 31 March 2024 and 31 December 2023, the number of issued ordinary shares of the Company ("Shares") (excluding treasury shares) was 1,031,524,685.

There were no outstanding convertibles as at 31 March 2024 and 2023.

As at 31 March 2024 and 2023, 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	
	31 March 2024	31 December 2023
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 period ended 31 December 2023 were subjected to a disclaimer of opinion by the independent auditor of the Company (the "Auditor"). Please refer to the Group's annual report for the full audit opinion and the Company's announcement on 4 April 2024 for the Management's comprehensive set of comments on the auditor's report. The following are a summary:

i) Going concern

The Board has taken into consideration the Group's plans as disclosed under Note 2 of Section E 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 liabilities of disposal group

The Group had carried out the assessment of the carrying value of the P4 Plant Assets to ensure that it did not exceed its fair value less costs of disposal. Accordingly, a reversal of impairment of the P4 Plant Assets was made in the financial year ended 31 December 2023. After such reversal, the Group was satisfied that the carrying value of the P4 Plant Assets remained below its fair value less costs of disposal. Hence, the Group is of the opinion that no provision for impairment loss on the P4 Plant Assets is required in the current financial period.

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

Mining Assets

The Group had been assessing the recoverable amount of the Mining Assets, including the carrying value of the goodwill of the said assets, on a yearly basis. Following its assessments, the Group concluded that the recoverable amount of the Mining Assets is zero. Hence, Management had determined that no adjustment to its carrying value is required.



Right-of-use assets

Right-of-use assets related to the office premises occupied by the Company. The carrying value was \$186,000 on 31 December 2023. The lease was renewed for 3 years on 15 September 2023. Management estimated the value when it capitalised the amount and believed that there would not have been any significant change in its carrying value and that the Group will be able to recover the value through continuing use of the office premises.

P4 Plant Assets

Please see response in (ii) above.

Investment in subsidiaries

The Group had assessed the recoverable amount of the Company's investment in subsidiaries based on the consolidated financial statements of Norwest Chemicals Pte. Ltd. (NWC) after having taken into account the disposal of the P4 Plant Assets and Phase 2 Factory Assets. Following, Management determined that it was appropriate to fully impair the Company's investment in NWC.

iv) **Trade and other payables**

Update:

The accrual in other payables was related to legal and professional fees related to the recently concluded arbitration with the Chinese government. The accrual had been reversed in the financial year ended 31 December 2023 following certain waivers of legal fees.

The Board confirms that the impact of the abovementioned audit issues on the financial statements of the Group has been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Paragraph 5, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the most recently audited consolidated financial statements for the financial period ended 31 December 2023.

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 2024. 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 period, 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	
	First Quarter Ended 31 March	
	2024	2023
Loss attributable to owners of the Company used in the computation of basic earnings per share (\$'000)		
- from continuing operations	(426)	(651)
- from discontinued operations	(21)	(7)
	<u>(447)</u>	<u>(658)</u>
Weighted average number of ordinary shares for basic earnings/(losses) per share ('000)	1,031,525	1,031,525
Basis and diluted loss per share (cents)		
- from continuing operations	(0.04)	(0.06)
- from discontinued operations	(0.002)	(0.001)
	<u>(0.042)</u>	<u>(0.061)</u>

As at 31 March 2024 and 2023, 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.

	As at		As at	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Net asset / (net liabilities) value (\$'000)	(620)	(203)	(7,463)	(7,154)
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)	<u>(0.06)</u>	<u>(0.02)</u>	<u>(0.72)</u>	<u>(0.69)</u>



8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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

Statement of Profit of Loss

A review of the performance of the Group in 1Q2024 compared to the corresponding period in 2023.

Revenue, cost of goods sold and gross profit

The Group recorded a lower trading revenue in 1Q2024 as compared to 1Q2023 respectively mainly due to a lower quantity and selling price of phosphate chemical and commodity products sold.

Cost of goods sold decreased in 1Q2024 in line with the lower revenue.

The reduction in gross profit in 1Q2024, when compared to 1Q2023, was due to lower revenue and changes in the sales mix.

Other income

The decrease in other income in 1Q2024 against 1Q2023 was mainly due to the absence of foreign exchange gain in 1Q2024.

Selling and distribution costs

Selling and distribution costs decreased in 1Q2024 against 1Q2023 due to reduced sales activity.

General and administrative costs

The decrease in general and administrative expenses in 1Q2024 against 1Q2023 was mainly attributed to lower legal and professional fees incurred, following the conclusion of the appeal to the Swiss Court to set aside the International Arbitration Tribunal Jurisdictional award in 1Q2024.



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 1Q2024 against 1Q2023 mainly due to the accrual of interest on the loans due to a director and a shareholder in 1Q2024. In 1Q2023, there was no accrual of interest for the loans due to a director and a shareholder.

Taxation

The increase in taxation in 1Q2024 against 1Q2023 was mainly attributed to the accrual of deferred tax on unremitted foreign income.

Discontinued operations

The increase in loss before tax from discontinued operations in 1Q2024 against 1Q2023 was mainly due to higher finance costs.

Statement of Financial Position

A review of the performance of the Group as at 31 March 2024 compared to 31 December 2023.

Non-current assets

The decrease in deferred tax assets was mainly attributed to the accrual of deferred tax liabilities on unremitted foreign income in 1Q2024.

Current assets

Inventory levels increased due to minor postponements of shipments of phosphate chemical products to customers in 1Q2024.

The decrease in trade receivables was attributed to lower sales of commodity products toward the end of the financial period ended 31 March 2024, as compared to 31 December 2023.



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

Current assets

The increase in other receivables and prepayments was attributed mainly to higher prepayments to suppliers in connection with the trading of phosphate chemical products.

The increases in non-current assets held for sale and assets of disposal group were due to exchange rate fluctuations.

Non-current liabilities

Deferred grant income increased mainly due to the exchange rate fluctuations.

Provision for reinstatement cost increased mainly due to exchange rate fluctuations.

Current liabilities

Other payables increased mainly due to the receipt of RMB20 million (approximately \$3.72 million) and RMB39.39 million (approximately \$7.33 million) from Rongda in 1Q2024 in relation to the proposed disposal of the P4 Plant Assets.

Contract liabilities decreased mainly due to a reclassification of the balance of deferred rental to other payables, following the entry into Supplementary Cooperation Agreement II.

Loans due to a director and a controlling shareholders increased due to the accrual of interest in 1Q2024.

Liabilities of disposal group decreased mainly as a result of the repayment of an interest-bearing bank loan, for which the P4 Plant Assets were pledged as collateral, in 1Q2024.



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

Statement of Cash Flows

1Q2024

The Group reported a net cash outflow for its operating activities in 1Q2024 mainly due to payments made for fixed costs incurred in the course of Group's regular operations.

The Group reported a net cash inflow for its investing activities in 1Q2024 mainly due to a cash receipt from Rongda in connection with the disposal of the P4 Plant Assets, for the repayment of an interest-bearing bank loan.

The Group reported a net cash outflow for its financing activities in 1Q2024 mainly due to the repayment of an interest-bearing bank loan.

As a result of the above, after accounting for the minor effects of exchange rate fluctuations, there was a net increase in cash and cash equivalents of \$0.33 million.

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 1Q2024 are in line with the profit guidance issued on 3 May 2024.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group had received the sums of RMB20 million (approximately \$3.72 million) and RMB39.39 million (approximately \$7.33 million) from Rongda in relation to the proposed disposal of the P4 plant. SMNPC has 36 months from the effective date of Agreement II to complete the transfer of equity of Rongdafeng to Rongda. The Board is not aware of any information which may suggest that the transaction will not be completed. The proceeds are sufficient to settle the Group's existing obligations. The balance of the proceeds will be used to fund future investments, hence enhancing shareholder value.

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

The management will continue to seek out suitable and profitable corporate, business and financing opportunities to enhance shareholders' value. As announced on 6 May 2024, the Company has issued circular for, inter-alia the business diversification (to



further expand the existing trading business and to include renewable energy business) and to be tabled at the upcoming EGM to be held on 28 May 2024.

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 period?

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 31 March 2024 as the Company is not in the financial position to declare dividends.

- 13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders of the Company.

On 21 June 2013, Chief Executive Officer and Executive Director of the Company, Dr. Ong Hian Eng (“**Dr. Ong**”), Mr Ong Kwee Eng (an associate of Dr. Ong), and key executives Mr Wang Xuebo and Mr Chia Chin Hau (collectively, the “**Indemnitors**”) signed a deed of indemnity, under which they have jointly and severally undertaken, *inter alia*, to indemnify and hold harmless the Group against losses in connection with certain land use rights and certain licences, permits and approvals for the Group’s PRC operations (the “**Indemnity**”). No fees were paid or benefits given to the abovementioned individuals in connection with the deed of indemnity. Please refer to the Company’s offer document dated 25 September 2013 (“**Offer Document**”) under the section entitled “Interested Person Transactions – Present and Ongoing Interested



Period Transactions” (Page 191) for further details. Such indemnity against losses in connection with the abovementioned land use rights had expired on 7 April 2015. On 20 February 2017, the Company and the Indemnitors entered into a supplemental deed, pursuant to which it was agreed that the Indemnity shall terminate upon the occurrence of (i) any transaction or series of transaction resulting the Indemnitors and their associates (as defined in the Catalist Rules) collectively holding less than 51.0% of the total issued and paid-up share capital of the Company; and (ii) Dr. Ong, Mr Ong Eng Hock Simon, Mr Ong Eng Siew Raymond and Ms Ong Bee Pheng, and any relative (including by marriage) of Dr. Ong from time to time, no longer collectively constituting a majority representation on the Board.

As at 31 March 2024, the net loans from Dr. Ong amounted to \$1,420,000. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

As at 31 March 2024, the loans from Astute Ventures amounted to \$1,027,870. The loans extended to the Company were for working capital, are unsecured, repayable on demand and bear interest at 11% per annum (8% per annum before 1 January 2023).

The interests for 1Q2024 were accrued following the Singapore Exchange Trading Securities Limited (“SGX-ST”) approval on the use of the Company’s market capitalization as at the end of the preceding financial year for the purpose of computing the IPT transactions thresholds under the Catalist Rules 905 and 906. The Company can continue to adopt the market capitalisation method as long as its net tangible assets (“NTA”) remains negative (as of the latest set of audited consolidated financial statements).

Based on the loans extended as at 31 March 2024, the total interest in 1Q2024 as a percentage of the Company’s market capitalisation as at 31 December 2023 is 1.0%.

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



13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect. (cont'd)

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Dr Ong Hian Eng ^(c)	Director	\$55,580 ^(a)	Not applicable
Astute Ventures Pte Ltd	Controlling shareholder	\$27,667 ^(b)	Not applicable

Note:

- a) The interest accrued from January to March 2024 amounted to \$55,580.
- b) The interest accrued from January to March 2024 amounted to \$27,667
- c) Dr Ong Hian Eng had retired as the Chief Executive Officer and Executive Director of the Company at the conclusion of the Company's Annual General Meeting (AGM) which took place on 30 April 2024. Please see the Company's announcement dated 12 April 2024 for details.

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 1Q2024 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,

Ong Eng Keong
CEO and Executive Director

Ong Eng Hock Simon
Non-Executive Director

10 May 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

