
Update on transaction with Sichuan Rongda Yuexiang Chemical Group Co., Ltd.

1. INTRODUCTION

The Board of Directors of AsiaPhos Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements on 22 March 2023 and 12 June 2023 and would like to provide an update.

2. UPDATE

On 27 June 2023, Sichuan Rongda Yuexiang Chemical Group Co., Ltd (“Rongda”) suspended maintenance work that is required as part on the capital investment restarting the P4 plant. It has been estimated that an additional capital investment of approximately RMB 20 million may be required to be incurred on the new power line from new power substation to the P4 Plant. This was not budgeted for in Rongda’s plan and Rongda will have to obtain additional investment funds.

The Group has not received any termination notice from Rongda and Management will ascertain Rongda’s plans and ability to complete the transaction. It will also work on a contingency plan should Rongda confirm that it is unable to continue.

Under the terms of the Cooperation Agreement with Rongda, as the Group has not breached any of its obligations, it is not obliged to refund the deposit of RMB4 million and advance lease rental of RMB 8 million to Rongda. In addition, Rongda may have to compensate the Group for economic losses if it fails to complete the transaction.

The Company is currently unable to provide a definitive assessment on the impact of this development and also the financial impact on the Group’s earnings and net tangible asset for the financial year ending 31 December 2023.

The Company will make such further announcements at the appropriate juncture, as and when there are material developments in relation to this matter.

Shareholders and potential investors should exercise caution when trading in the Company’s shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Dr Ong Hian Eng
 Executive Director
 AsiaPhos Limited

28 June 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.*

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