

ANNOUNCEMENT

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BOARD OF DIRECTORS

DING Poi Bor

LAU Eng Foo (Andy)

Dominic LIM Kian Gam

ONG Yih Ching

MARKET UPDATE ON THE PROPOSED DISPOSAL OF AN INDIRECTLY-HELD SUBSIDIARY

On 12 March 2021, Asaplus Resources Limited (**Company**) announced that it had, through its wholly-own indirect subsidiary, Datian Huasheng Mining Co., Limited (**Vendor**), entered into an Equity Transfer Agreement and a Supplemental Agreement (collectively and read together, the **Agreement**) with Zhangzhou Wen Herui Trading Co., Limited (**Purchaser**) to dispose of its holding of 100% in the equity capital in Datian Huayu Mining Co., Limited (**Target Company**). Directors of the Company wish to make a market update on this transaction.

In that announcement, the Company disclosed that Directors expect to complete the transaction by 15 April 2021. The Purchaser had requested and the Company had agreed to defer the completion of this transaction so that the Purchaser can consult with and obtain the views of the relevant authorities, particularly the Environmental Protection Bureau, as to the impact its proposed acquisition of the Target Company may have on the Target Company's licences and approvals to carry on its operations. As of the end of the financial year ended 30 June 2021 (**FY2021**) and the date of this market update, the proposed disposal of the Target Company has not been completed. Therefore, for FY2021 financial reporting purposes, the Target Company is still treated as a subsidiary.

As the proposed disposal of the Target Company has not been completed, the post-completion commercial arrangement between the Target Company and the Company's Beikeng Mine contemplated under the Agreement, including the Target Company's purchase of all of the Beikeng Mine's existing stockpile of raw ore and its entry into an Off-take Agreement with the Beikeng Mine have not been implemented.

Notwithstanding that the completion of the proposed disposal of the Target Company has been delayed, the Purchaser's obligation under the Agreement to provide financial support to the Target Company up to a sum of RMB6,000,000 is still in force. This commitment to provide financial support to the Target Company is separate from and is in addition to the RMB5,900,000 purchase consideration payable under the Agreement. As of the end of FY2021, the Purchaser had, pursuant to this commitment, advanced to the Target Company a total sum of RMB4,500,000. This advance from the Purchaser to the Target Company is interest-free and has no fixed repayment terms.

The purpose of and rationale for this financial support from the Purchaser to the Target Company is to provide the Target Company with sufficient funds to carry on its business operations pending completion of its sale to the Purchaser. This advance is a financial liability of the Target Company for which it will continue to be responsible even after the completion of this transaction.

REGISTERED OFFICE

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The delay in the completion of the proposed disposal of the Target Company had no effect on the profit and loss of the Company for FY2021.

For and on behalf of
ASAPUS RESOURCES LIMITED



DING Poi Bor
Managing Director
30 September 2021

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