
UPDATE ON ONGOING NEGOTIATIONS WITH SPD RURAL BANK**- GRANT OF NEW BANKING FACILITY**

1. BANKING FACILITY FROM SPD RURAL BANK (“SPD”)

The Board wishes to inform that as at the date of this announcement, the Group has utilised a bridging loan of up to RMB10 million (the “Bridging Loan”) granted by Mianzhu Mianxin Investment Development Co., Ltd (the “Fund”) on 18 January 2019 to repay the SPD loan. The bridging loan is unsecured and the Fund will charge a fee of RMB5000 per day and it is repayable upon disbursement of the new banking facility as defined below.

The Board is pleased to announce that SPD Rural Bank (“SPD”) has extended a new banking facility for RMB 5.2 million and RMB 4.8 million (the “New Banking Facility”) to Sichuan Mianzhu Norwest Phosphate Chemical Company Limited (“Mianzhu Norwest”) and Deyang Fengtai Mining Company Limited (“Deyang Fengtai”) respectively for a term of one (1) year with effect from the date of drawdown.

The New Banking Facility will be secured by land use rights pertaining to a site of approximately 89126.41m² in Gongxing Industrial Zone in Sichuan province (Phase 2 Land).

The New Banking Facility has an interest rate based on a multiple of the lending rate established by the People’s Bank of China (“PBOC”), i.e. currently the interest payable on the new banking facility would be 6.525% per annum.

The loan of RMB 10 million is expected to be drawn-down by 31 January 2019 and the proceeds of the loan will be used to repay the Bridging Loan provided by the fund.

With reference to Rule 704(33) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to inform that similar to the previous banking facility agreement with SPD, the Company is required to obtain SPD written approval for significant shareholding transfers that would result in a change of control in the Company, as well as change of shareholding in the Company arising from mergers, and joint ventures.

2. FURTHER ANNOUNCEMENTS

The Board confirms that, save for information which has not been disclosed with respect to ongoing negotiations with the PRC Government and wherein there is no certainty or assurance on the outcome of the negotiations, all material disclosures, facts and information (including but not limited to disclosures pertaining to, *inter alia*, the New Banking Facility, Existing Banking Facility, Bridging Loan, material operations and business of the Group) have been provided and announced. Save as announced, the Board is not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or previous announcements or disclosures misleading in any material respect.

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



BY ORDER OF THE BOARD

Simon Ong Eng Hock
Executive Director
AsiaPhos Limited

22 January 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by 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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