AsiaPhos Limited **T**: +65 6292 3119
亚化集团有限公司 **F:** +65 6292 3122
BRN: 201200335G www.asiaphos.com
22 Kallang Avenue
#03-02 Hong Aik Industrial Building
Singapore 339413

UPDATE ON ONGOING NEGOTIATIONS WITH BOHAI BANK – RENEWAL OF BANKING FACILITY

1. NEW BANKING FACILITY FROM BOHAI BANK

The Board of Directors (the "**Board**") of AsiaPhos Limited (the "**Company**", and collectively with its subsidiaries, the "**Group**") is pleased to announce that Bohai Bank has extended a new banking facility for RMB19 million (the "**New Banking Facility**") to Sichuan Mianzhu Norwest Phosphate Chemical Co., Limited ("**Mianzhu Norwest**") for a term of one (1) year commencing from 27 December 2022.

The New Banking Facility will be secured by:

(i) land use rights pertaining to a site of approximately 54,862.7m^2 in Gongxing Industrial Zone in Sichuan province (Phase 1 Land);
(ii) various P4 Property, Plant and Equipment (PPE); and
(iii) a corporate guarantee from the Company guaranteeing the performance of Mianzhu Norwest's obligations under the New Banking Facility.

All legal documents relating to the New Banking Facility were signed by a PRC lawyer authorised by Mianzhu Norwest and its legal representative. The power of attorney and the corporate guarantee letter relating to the New Banking Facility were notarised by a lawyer in Singapore and authenticated by the Chinese Embassy in Singapore.

At Bohai Bank's request, the Group has committed to the following, inter alia:

(i) it shall not seek repayment of an existing inter-company loan provided by the Company to the Mianzhu Norwest for the duration of the New Banking Facility; and
(ii) it shall deposit an amount of approximately RMB1.35 million, equivalent to total interest expense under the New Banking Facility, to a specific bank account. The balance in this bank account will solely be used to pay interest on the bank loan

The New Banking Facility has an interest rate of 7% per annum and will be used to repay the existing bank facility from Bohai Bank (the "**Existing Banking Facility**"), the term of which expired on 26 December 2022. The above-listed securities, and commitments, for the New Banking Facility are the same as for the Existing Banking Facility. Mianzhu Norwest had paid off all the interest expenses for the Existing Banking Facility.

The rest of the terms and conditions of the New Banking Facility are substantially similar to those of the Existing Banking Facility.

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 the New Banking Facility does not contain any condition making reference to the shareholding interests of any controlling shareholder of the Company, or place restrictions on any change in the control of the Company.

2. **FURTHER ANNOUNCEMENTS**

The Board confirms that, save for information which has not been disclosed with respect to the ongoing arbitration with the PRC Government and wherein there is no certainty or assurance on the outcome of the arbitration, 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

Dr. Ong Hian Eng
Executive Director
AsiaPhos Limited

29 December 2022

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*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. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271