

UPDATE ON ONGOING NEGOTIATIONS WITH BOHAI BANK
- GRANT OF NEW 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 RMB 21.06 million (the “**New Banking Facility**”) to Sichuan Mianzhu Norwest Phosphate Chemical Co., Limited (“**Mianzhu Norwest**”) for a term of one (1) year commencing from 9 December 2019.

The New Banking Facility will be secured by:

- (i) land use rights pertaining to a site of approximately 54,863m² 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.

Additionally, at Bohai Bank’s request, the Group has committed that

- (i) it shall not seek repayment of an existing inter-company loan provided to the Mianzhu Norwest for the duration of the New Banking Facility; and
- (ii) it shall deposit an amount of approximately RMB1.5 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 of RMB21.56 million from Bohai Bank (the “**Existing Banking Facility**”), the term of which expires on 9 December 2019. The Group has repaid an amount of RMB 0.5 million in respect of the Existing Banking Facility on 3 December 2019.

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 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

Dr Ong Hian Eng
Executive Director
AsiaPhos Limited

6 December 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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