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## RENEWAL OF BANKING FACILITY WITH SPD RURAL BANK

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

The Board is pleased to announce that SPD has renewed its previous banking facility for RMB5.2 million and RMB4.8 million which was granted on 11 January 2021 (the “**Previous 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 commencing from 7 January 2022. (the “**New Banking Facility**”).

The New Banking Facility has an interest rate based on the loan prime rate (LPR) established by the National Interbank Funding Center plus basis points (BPS), i.e. currently the interest payable on the New Banking Facility will be 6.525% per annum, which is a fixed interest rate throughout the facility period. For comparison purpose only, the interest rate for the Previous Banking Facility was 6.52% per annum.

The New Banking Facility will be secured by land use rights pertaining to a site of approximately 89,126.41m<sup>2</sup> in Gongxing Industrial Zone in Sichuan province (Phase 2 Land) as similar to the Previous Banking Facility. The Phase 2 Land is part of the proposed disposal of the Phase 2 factory assets as announced on 29 November 2021 and 24 December 2021 (“**Proposed Disposal of Phase 2 Factory Assets**”). SPD has been informed and made aware of the Proposed Disposal of Phase 2 Factory Assets. Pursuant to the sale and purchase agreement dated 29 November 2021 (“**SPA**”) for the Proposed Disposal of Phase 2 Factory Assets, Sichuan Mianzhu Norwest Phosphate Co., Ltd (being the seller) will arrange cancellation of mortgage with SPD prior to the delivery/transfer of Phase 2 Factory Assets to the Buyer and such mortgage will be cancelled within 20 working days after the full consideration for the Proposed Disposal of Phase 2 Factory Assets has been received. The full payment of the consideration is within one year from 29 November 2021, being the date of execution of the SPA. Thus, the cancellation of mortgage and full repayment of the SPD New Banking Facility will occur within one year. As at the date of the announcement, the Group has received RMB20.475 million of the consideration. The balance of the consideration receivable of approximately RMB11 million will be used to repay the SPD New Banking Facility before the transfer of the title to the Sichuan Mianzhu Huaxingfeng Food Co Limited (being the buyer under the SPA).

The rest of the terms and conditions of the New Banking Facility are substantially similar to those of the Previous 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 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. The aggregate level of the facilities that may be affected by the breach of such condition or restriction, would be the RMB10 million facility with SPD.

## 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, Previous Banking Facility, 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

10 January 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.*

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