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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 RMB18.8 million. (the "**New Banking Facility**") to Sichuan Mianzhu Norwest Phosphate Chemical Co., Limited ("**Mianzhu Norwest**") for a term of one (1) year commencing from 20 December 2023. Mianzhu Norwest was notified of the approval on 23 December 2023. Bohai Bank will release the bank loan to Mianzhu Norwest around 27 December 2023.

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 and notarised by the Notary Public in China. The power of attorney and the corporate guarantee letter relating to the New Banking Facility was also notarised by a lawyer in Singapore and apostilled by the Singapore Academy of Law.

Additionally, at Bohai Bank's request, the Group has committed the following:

(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;
(ii) it shall repay RMB2 million to reduce the bank loan to RMB16.8 million; and
(iii) it shall deposit an amount of approximately RMB1.2 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.

Mianzhu Norwest has paid RMB2 million to Bohai Bank on 26 December 2023 and placed RMB1.2 million in the specific bank account. The amount was funded from the shareholder loans received from Dr Ong Hian Eng and Astute Ventures Pte Ltd amounting to $0.47 million and $0.34 million respectively in November and December 2023.

The New Banking Facility has an interest rate of 7% per annum and will be used to repay the existing bank facility of RMB19 million from Bohai Bank (the "**Existing Banking Facility**"), the term of which expired on 26 December 2023.

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

26 December 2023

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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