

General Announcement::UPDATE ON ONGOING NEGOTIATIONS WITH BOHAI BANK - GRANT OF NEW BANKING FACILITY

Issuer & Securities

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UPDATE ON ONGOING NEGOTIATIONS WITH BOHAI BANK

- GRANT OF NEW BANKING FACILITY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of AsiaPhos Limited (the “**Company**”, and collectively with its subsidiaries, the “**Group**”) refers to the announcements released by the Company on 20 July 2018, 30 October 2018 and 1 November 2018 (in particular, item 10) in relation to the Group’s bank borrowings from Bohai Bank (“**Bohai**”).

2. BANKING FACILITY FROM BOHAI

The Board is pleased to announce that Bohai has extended a new banking facility for RMB21.57 million (the “**New Banking Facility**”) to Sichuan Mianzhu Norwest Phosphate Chemical Co., Limited (“**Mianzhu Norwest**”) for a term of one (1) year commencing from 7 December 2018.

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.

The New Banking Facility has an interest rate of 7% per annum and will be used to repay the outstanding balance of the existing bank facility of RMB24.0 million from Bohai (the “**Existing Banking Facility**”), the term of which had expired on 31 July 2018.

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

The Group has made repayment of a total amount of RMB2.43 million in respect of the Existing Facility since July 2018.

The Board also wishes to confirm that as at the date of this announcement, the Group has not received any demand for repayment of the Existing Banking Facility upon the expiration of its term on 31 July 2018.

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.



3. BRIDGING LOAN FROM MIANZHU MIANXIN INVESTMENT DEVELOPMENT CO., LIMITED (THE "FUND")

The Board refers to the arrangement to obtain a bridging loan of up to RMB24 million (the "**Bridging Loan**") from the Fund as announced on 30 October 2018.

The Board wishes to inform that as at the date of this announcement, the Group has not utilised and will not be utilising any of part of the Bridging Loan.

4. 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

7 December 2018

*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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