
A. QUALIFIED OPINION BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

B. PRESENTATION OF SEGMENTAL REVENUE AND RESULTS FOR OPERATING SEGMENTS

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the offer document dated 25 September 2013, and registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 25 September 2013 and the Company's announcements dated 3 March 2017, 24 November 2017, 30 November 2017, 4 December 2017, 13 December 2017, 11 January 2018, 24 January 2018, 9 February 2018, 28 February 2018 and 16 March 2018.

A. QUALIFIED OPINION BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Pursuant to Rule 704(4) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist, the board of directors (the "Board") of AsiaPhos Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that the Company's independent auditor, Messrs Ernst & Young LLP (the "Independent Auditor"), has issued a qualified opinion in relation to the significant uncertainty with respect to the recoverable amount of the assets and directly associated liability of Mine 1, Mine 2 and Fengtai Mine, as it is subject to further negotiation with the relevant authorities in People's Republic of China in its independent auditor's report dated 28 March 2018 ("Independent Auditor's Report") for the financial statements of the Group ("Financial Statements") for the financial year ended 31 December 2017 ("FY2017").

As the Chinese Government has yet to finalise the compensation and negotiation is still ongoing, the Independent Auditors were unable to obtain sufficient appropriate audit evidence to determine if the assets of disposal group amounting to \$90,110,000 and liability of disposal group amounting to \$815,000 are carried at the lower of carrying amount or fair value less cost of disposal as at 31 December 2017. Consequently, they were also unable to determine whether adjustment is required to the cost of investment in subsidiaries amounting to \$78,036,000 in the Company's balance sheet as at 31 December 2017. Any adjustment to the carrying value of the disposal group would have a consequential effect on the results of the discontinued operation for the year ended 31 December 2017, and the carrying amounts of the Group's assets and liability of disposal group and cost of investment in subsidiaries in the Company's balance sheet as at 31 December 2017.

Except for the possible effects of the matter highlighted above, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

A copy of the Independent Auditor's Report is annexed to this announcement for shareholders' reference.



The Independent Auditor's Report and a complete set of the Financial Statements will also be found in the Company's annual report for FY2017, which will be despatched to shareholders in due course.

B. PRESENTATION OF SEGMENTAL REVENUE AND RESULTS FOR OPERATING SEGMENTS

In the results announcement for fourth quarter and financial year ended 31 December 2017 dated 28 February 2018 (the "Results Announcement"), the Group reported its segmental results and certain items in consolidated profit and loss statement (the "Disclosure Items"). The total of the segmental results and Disclosure Items in the Results Announcement shows the consolidated total for the Group (including continuing and discontinued operations).

To better reflect the results from the Group's continuing operations, the total of the segmental results and Disclosure Items shown in the Financial Statements (note 34) reflect only the total from continuing operations of the Group.

	Results Announcement		Financial Statements	
	FY2017	FY2016	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Revenue - external	51,075	34,345	44,085	23,558
Depreciation and amortisation expenses	(3,645)	(4,290)	(2,008)	(1,791)
Interest expense	(515)	(820)	(456)	(761)
Termination of services of employees	(101)	-	-	-
Segment profit/(loss) before tax	976	(1,931)	(34)	(4,130)

Save as disclosed above, there are no changes to the Group's consolidated statement of comprehensive income, balance sheet, consolidated statement of cash flows and statement of changes in equity for FY2016 and FY2017 as set out in the Results Announcement.

BY ORDER OF THE BOARD

Simon Ong Eng Hock
 Executive Director
 AsiaPhos Limited
 28 March 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 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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