

FOR IMMEDIATE RELEASE

AsiaPhos turns around with profit of S\$0.1 million as revenue rose six-fold from 1Q2016 to S\$12.1 million in 1Q2017

- *Change in business strategy drove the turnaround, and is expected to positively impact the Group's results and cash flows in FY2017*

Summary of Financial Results for the three months ended 31 March:

S\$'000	1Q2017	1Q2016	+ / (-) %
Total Revenue	12,122	1,982	512
- Upstream revenue	2,101	1,708	23
- Downstream revenue	10,021	274	3,557
Gross Profit	1,672	493	239
Profit/ (Loss) before tax	122	(915)	n.m.
Net attributable profit / (loss)	122	(915)	n.m.

n.m. – not meaningful

SINGAPORE – 26 April 2017 – AsiaPhos Limited (“AsiaPhos” and together with its subsidiaries, the “Group”), a Singapore-headquartered mineral resources company focused on exploring and mining phosphate with a vertically-integrated business model, reported a strong performance for the three months ended 31 March 2017 (“1Q2017”).

The Group achieved a net attributable profit of S\$0.1 million in 1Q2017 compared to a loss of S\$0.9 million in the same period last year (“1Q2016”), as revenue rose 512% year-on-year (“y-o-y”) to S\$12.1 million from S\$2.0 million.

Driven by a change in business strategy, both the upstream and downstream segments saw improved performances in 1Q2017. The Group was able to secure a consistent supply of quality phosphate rocks from an external supplier to continue with its production of P₄ in 1Q2017, which enabled the Group to sell more of its high quality phosphate rocks to third

parties which were previously reserved for its in-house production of P₄. This has allowed the Group to unlock the value of its inventory of high quality phosphate rocks which generally fetch higher prices.

Commenting on the results, Dr. Ong Hian Eng (王显荣博士), the Chief Executive Officer and Executive Director of AsiaPhos Limited said,

“This change in strategy enables us to accelerate the monetising of our high quality phosphate rocks to unlock value in our working capital and improve cash flows. At the same time, we are also able to increase contribution from the upstream segment which forms a second pillar of income stream for the Group. We hope this marks a new chapter for achieving consistent and sustainable profits and cash flows for the Group.”

Together with continued demand from customers, and rising average selling prices of P₄, the Group’s downstream segment achieved revenue of S\$10.0 million in 1Q2017, compared to S\$0.3 million in 1Q2016, when the Group did not have any P₄ inventory for sale.

Similarly, with more high quality phosphate rocks available for sale in the Group’s inventory, revenue from the upstream segment rose 23% y-o-y to S\$2.1 million in 1Q2017, driven by higher quantity of rocks sold and higher average selling prices.

The Group’s gross profit more than tripled to S\$1.7 million in 1Q2017, from S\$0.5 million in 1Q2016. Gross profit margin for the upstream segment grew to 34% from 25%, driven by higher average selling prices of phosphate rocks and lower production costs, while a change in product mix from STPP and SHMP to P₄ in the downstream segment led to gross profit margin declining to 9% in 1Q2017 from 26% in 1Q2016.

The Group’s overall cash flow from operating activities improved significantly to a net cash inflow of S\$2.1 million in 1Q2017, from a net cash outflow of S\$1.8 million in 1Q2016. Coupled with the successful completion of a renounceable non-underwritten rights issue in March 2017 where the Group received net cash proceeds of S\$2.3 million after repayment of

certain liabilities, the Group's negative working capital position improved from S\$4.9 million as at 31 December 2016, to S\$1.4 million as at 31 March 2017.

Outlook

Upstream Segment

As disclosed in the Group's announcement dated 3 March 2017, the Group has received the approval for the renewal of its mining license for Mine 1, which is now valid until 28 February 2018.

The Group plans to increase its phosphate rocks' output in 2017, and intends to continue with the strategy of unlocking the value of its rock inventory by selling more of its high quality rocks to third parties, which were previously reserved for its in-house P₄ production. Barring unforeseen circumstances, this is expected to contribute positively to the Group's results and cash flows in 2017.

The Group expects phosphate rock prices to remain stable for the rest of the year.

Downstream Segment

The Group has resumed full production of P₄. Average selling prices for deliveries of P₄ in April 2017 were higher than those sold and delivered in 1Q2017. This was because of continued high demand for P₄, due in part to the recovery in the pesticide market, as well as the tight supply of P₄ as several P₄ producers in other provinces in the People's Republic of China had to stop production while undergoing environmental and safety inspections.

Management expects the pace of P₄ price increase to moderate when more supply enters the market in the second half of 2017. The Group will continue to build up the P₄ business and monitor production efficiencies to improve the Group's bottomline. To further enhance the future value of the Group, the management is exploring with strategic partners to establish complementary businesses, both horizontally and vertically, in view of the potential market demand and applications for black phosphorus and lithium ion phosphate (LiFePO₄) battery.

###

About AsiaPhos Limited

AsiaPhos Limited was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 7 October 2013, and is the first mineral resources company listed on the SGX-ST which is solely focused on exploring and mining phosphate in the PRC with the ability to manufacture and produce phosphate-based chemical products. To make full use of phosphate, which is a valuable and non-renewable natural resource, AsiaPhos is adopting a vertically-integrated strategy which will comprise the mining of phosphate rocks from its existing mines and the production of phosphate-based chemical products. Led by an experienced management team, the Group currently owns two mining rights and three exploration rights, and owns a downstream processing facility in the Gongxing Industrial Park (Sichuan).

Issued for and on behalf of AsiaPhos Limited by August Consulting

Tel: +65 6733 8873

Karen Ting, karenting@august.com.sg

Jeremy Sing, jeremysing@august.com.sg

This press release should be read in conjunction with the Company’s announcement dated 26 April 2017 in relation to the Group’s unaudited financial statements for the first quarter ended 31 March 2017.

This press release has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “Sponsor”), for compliance with the relevant rules of the SGX-ST.

The Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

The contact person for the Sponsor is Mr Lim Hoon Khat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.