ASIAPHOS LIMITED

Company Registration Number: 201200335G

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

Background

AsiaPhos Limited (the "**Company**"), and together with its subsidiaries, (the "**Group**") was listed on the Catalist Board (the "**Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 7 October 2013. The initial public offering (the "**IPO**") of the Company was sponsored by United Overseas Bank Limited (the "**Sponsor**"). The Company, incorporated in Singapore under the Singapore Companies Act on 3 January 2012, is the first Singapore-headquartered mineral resources company listed on the SGX-ST which is solely focused on exploring and mining phosphate in the People's Republic of China (the "**PRC**") with the ability to manufacture and produce phosphate-based chemical products.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF RESULTS FOR FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	Fourth Quarter Ended 31 December			**Financial Year Ended 31 December**		
	2016	**2015**	**Change**	**2016**	**2015**	**Change**
	$'000	**$'000**	**%**	**$'000**	**$'000**	**%**
Revenue	13,517	16,839	(20)	34,345	44,505	(23)
Cost of sales	(11,933)	(13,649)	(13)	(29,090)	(36,018)	(19)
Gross profit	1,584	3,190	(50)	5,255	8,487	(38)
Other income	68	4,863	(99)	337	6,378	(95)
Selling and distribution costs	(353)	(109)	224	(629)	(496)	27
General and adminstrative costs	(1,839)	(2,847)	(35)	(6,002)	(7,684)	(22)
Finance costs	(289)	(337)	(14)	(892)	(1,229)	(27)
Other expense	-	-	N.M.	-	(2,429)	N.M.
(Loss)/profit before tax	(829)	4,760		(1,931)	3,027	
Taxation	197	(451)	N.M.	197	(818)	N.M.
(Loss)/profit for the period	(632)	4,309		(1,734)	2,209	
Other comprehensive income						
Items that may be recycled to profit or loss						
Foreign currency translation gain/(loss)	827	(1,034)	N.M.	(2,015)	447	N.M.
Total comprehensive income for the period	195	3,275		(3,749)	2,656	
(Loss)/profit for the period attributable to:						
Owners of the Company	(632)	4,309		(1,734)	2,209	
Non-controlling interest	-	-		-	-	
	(632)	4,309		(1,734)	2,209	
Total comprehensive income for the period attributable to:						
Owners of the Company	195	3,275		(3,749)	2,656	
Non-controlling interest	-	-		-	-	
	195	3,275		(3,749)	2,656	

"N.M." denotes not meaningful.

Foreign currency translation gain/(loss) represents exchange differences arising from translation of the financial statements of our PRC subsidiaries whose functional currency (Renminbi, "**RMB**") is different from that of the Group's presentation currency (Singapore Dollar, "**SGD**", "**$**"). The Group's net investment in PRC is not hedged as currency positions in RMB are considered to be long-term in nature. Such translation gains/(losses) are of unrealised nature and do not impact current year profit/(loss) unless the underlying assets or liabilities of the PRC subsidiaries are disposed of.

In the fourth quarter ended 31 December 2016 ("**4Q2016**"), the Group recorded translation gain of $0.8 million due to the weakening of SGD against RMB.

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

The Group's profit/(loss) before tax was arrived at after (charging)/crediting the following:

	Group					
	Fourth Quarter Ended 31 December			Financial Year Ended 31 December		
	2016 $'000	2015 $'000	Change %	2016 $'000	2015 $'000	Change %
Interest income	4	5	(20)	13	1,093	(99)
Net fair value gain	-	4,700	N.M.	-	4,850	N.M.
Interest expenses	(228)	(334)	(32)	(821)	(1,218)	(33)
Amortisation and depreciation #	(256)	(261)	(2)	(1,050)	(875)	20
Foreign exchange gain/(loss) *	(31)	(102)	(70)	244	6	3967
Termination of pre-existing contract	-	-	-	-	(2,429)	N.M.
Gain on disposal of property, plant and equipment	-	26	N.M.	1	26	(96)

"N.M." denotes not meaningful.
* Included in general and administrative costs
# Included in selling and distribution costs and general and administrative costs

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at		As at	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	$'000	$'000	$'000	$'000
Non-current assets				
Mine properties	65,133	72,329	-	-
Land use rights	4,535	4,845	-	-
Property, plant and equipment	38,619	39,856	-	-
Prepayments	691	587	-	-
Other receivables	285	297	-	-
Intangible asset	-	57	-	-
Goodwill	12,249	8,271	-	-
Deferred tax asset	64	-	-	-
Investment in subsidiaries	-	-	72,311	59,022
	121,576	126,242	72,311	59,022
Current assets				
Stocks	7,941	2,728	-	-
Trade receivables	3,975	4,422	-	-
Other receivables	601	481	57	40
Prepayments	1,108	1,063	38	143
Cash and bank balances	2,588	4,301	1,027	1,018
Amounts due from subsidiaries	-	-	4,038	17,183
	16,213	12,995	5,160	18,384
Total assets	137,789	139,237	77,471	77,406
Current liabilities				
Bank overdraft (secured)	392	16	392	16
Trade payables	6,022	4,377	-	-
Other payables	5,569	6,848	145	377
Advance payments from customers	455	247	-	-
Interest-bearing bank loans	7,086	-	-	-
Redeemable preference shares	-	8,050	-	-
Loan due to a director	1,000	-	1,000	-
Deferred income	35	-	-	-
Provision for taxation	556	1,062	-	-
Amounts due to subsidiaries	-	-	1,239	-
	21,115	20,600	2,776	393
Net current assets/(liabilities)	(4,902)	(7,605)	2,384	17,991
Non-current liabilities				
Redeemable preference shares	5,725	-	-	-
Deferred tax liabilities	17,506	19,506	-	-
Deferred income	2,202	2,407	-	-
Provision for rehabilitation	170	177	-	-
	25,603	22,090	-	-
Total liabilities	46,718	42,690	2,776	393
Net assets	**91,071**	**96,547**	**74,695**	**77,013**
Equity attributable to owners of the Company				
Share capital	68,151	68,151	68,151	68,151
Reserves	13,457	18,107	6,544	8,862
	81,608	86,258	74,695	77,013
Non-controlling interest	9,463	10,289	-	-
Total equity	**91,071**	**96,547**	**74,695**	**77,013**

(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	Group			
	31 December 2016		31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable				
In one year or less, or on demand	7,478	1,000	16	8,050
After one year	-	5,725	-	-
	7,478	6,725	16	8,050

Details of collaterals

As at 31 December 2016, the Group pledged certain land use rights and certain property, plant and equipment of the Group, with net book value of RMB21.8 million (approximately $4.5 million) and RMB98.8 million (approximately $20.6 million) respectively, as collaterals. The Company has also provided a corporate guarantee for a bank loan of RMB24.0 million (approximately $5.0 million).

As at 31 December 2015, the Group pledged certain land use rights with net book value of approximately RMB8.0 million (approximately $1.8 million) and certain property, plant and equipment with net book value of approximately RMB101.1 million (approximately $22.0 million) as collaterals. As at 31 December 2015, the Group did not have any interest-bearing bank loan. As at 30 September 2016, these pledged assets have been released.

An amount of $1.0 million of the Company's fixed deposits was also pledged as collateral for bank overdraft facility as at 31 December 2016 and 31 December 2015.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Cash flows from operating activities :				
Profit/(Loss) before taxation	(829)	4,760	(1,931)	3,027
Adjustments for :				
Depreciation expenses	1,166	1,458	3,351	3,265
Gain on disposal of property, plant and equipment	-	(26)	(1)	(26)
Amortisation expenses	450	65	939	304
Interest expense	227	270	820	1,101
Interest income	(4)	(5)	(13)	(1,093)
Fair value gains	-	(4,700)	-	(4,850)
Unrealised exchange loss/(gain)	263	(235)	(4)	41
Amortisation of deferred income	(43)	(26)	(122)	(77)
Termination of pre-existing contract	-	-	-	2,429
Operating profit/(loss) before working capital changes	1,230	1,561	3,039	4,121
(Increase)/decrease in stocks	(3,386)	4,260	(5,321)	6,283
(Increase)/decrease in receivables	538	(1,243)	578	(1,876)
Increase/(decrease) in payables	1,662	(1,019)	1,115	539
Cash (used in)/generated from operations	44	3,559	(589)	9,067
Interest received	4	1,865	13	1,874
Interest paid	(112)	(51)	(1,353)	(962)
Tax paid	-	(177)	(703)	(436)
Net cash flows (used in)/generated from operating activities	(64)	5,196	(2,632)	9,543
Cash flows from investing activities :				
Payments for property, plant and equipment	(1,355)	(1,412)	(4,085)	(5,961)
Receipt of government grant	-	-	58	20
Proceeds from disposal of property, plant and equipment	-	101	1	101
Payment for land use rights	-	-	-	(123)
Payments made in advance for property, plant and equipment	(130)	-	(130)	-
Net cash inflow on acquisition of subsidiary	-	-	-	52
Net cash flows (used in)/generated by investing activities	(1,485)	(1,311)	(4,156)	(5,911)
Cash flows from financing activities :				
Repayment of bank loan	-	(6,058)	-	(6,058)
Proceeds from bank loan	-	-	7,082	2,308
Proceeds from issue of redeemable preference shares	-	-	4,000	-
Redemption of redeemable preference shares	-	-	(6,325)	-
Increase in pledged deposits	(1)	(5)	(8)	(5)
Payments of share issuance expense	-	-	(32)	(11)
Dividends paid	-	-	(901)	-
Loan due to a director	1,000	-	1,000	-
Net cash flows (used in)/generated from financing activities	999	(6,063)	4,816	(3,766)
Net increase/(decrease) in cash and cash equivalents	(550)	(2,178)	(1,972)	(134)
Cash and cash equivalents at beginning of period	1,527	5,019	3,098	3,211
Effects of exchange rate changes on cash and cash equivalents	35	257	(114)	21
Cash and cash equivalents at end of period	1,012	3,098	1,012	3,098

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	As at 31 December	
	2016	2015
	$'000	$'000
Cash and bank balances	2,588	4,301
Less: bank overdraft (secured)	(392)	(16)
Less : pledged deposits	(1,184)	(1,187)
Cash and cash equivalents at end of period	1,012	3,098

Effect of acquisition of subsidiary on statement of consolidated cash flow:

	Group			
	Fourth Quarter Ended 31 December		**Financial Year Ended 31 December**	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Total consideration for 100% equity interest acquired	-	-	-	52,944
Less non-cash consideration	-	-	-	(38,223)
Consideration settled in cash	-	-	-	14,721
Less cash and cash equivalents of subsidiary acquired	-	-	-	(52)
Less amount paid in prior periods	-	-	-	(17,150)
Add termination of pre-existing contract	-	-	-	2,429
Net cash inflow on acquisition of subsidiary	-	-	-	52

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Merger reserve	Retained earnings	Foreign currency translation reserve	Safety fund surplus reserve	Total reserves	Non-controlling interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016								
Balance at 1 January 2016	68,151	850	12,627	4,249	381	18,107	10,289	96,547
Total comprehensive income for the period	-	-	(915)	(1,915)	-	(2,830)	-	(2,830)
Transfer to safety fund surplus reserve	-	-	(48)	-	48	-	-	-
Balance at 31 March 2016	68,151	850	11,664	2,334	429	15,277	10,289	93,717
Total comprehensive income for the period	-	-	366	(1,239)	-	(873)	-	(873)
Dividends paid	-	-	(901)	-	-	(901)	-	(901)
Adjustment to fair value of net identifiable assets acquired	-	-	-	-	-	-	(826)	(826)
Transfer to safety fund surplus reserve	-	-	(250)	-	250	-	-	-
Utilisation of safety fund surplus reserve	-	-	155	-	(155)	-	-	-
Balance at 30 June 2016	68,151	850	11,034	1,095	524	13,503	9,463	91,117
Total comprehensive income for the period	-	-	(553)	312	-	(241)	-	(241)
Transfer to safety fund surplus reserve	-	-	(127)	-	127	-	-	-
Utilisation of safety fund surplus reserve	-	-	-	-	(32)	(32)	-	(32)
Balance at 30 September 2016	68,151	850	10,354	1,407	619	13,230	9,463	90,844
Total comprehensive income for the period	-	-	(632)	827	-	195	-	195
Transfer to safety fund surplus reserve	-	-	(303)	-	303	-	-	-
Utilisation of safety fund surplus reserve	-	-	98	-	(66)	32	-	32
Balance at 31 December 2016	68,151	850	9,517	2,234	856	13,457	9,463	91,071
2015								
Balance at 1 January 2015	56,541	850	10,799	3,802	-	15,451	-	71,992
Total comprehensive income for the period	-	-	(121)	1,605	-	1,484	-	1,484
Transfer to safety fund surplus reserve	-	-	(23)	-	23	-	-	-
Utilisation of safety fund surplus reserve	-	-	15	-	(15)	-	-	-
Balance at 31 March 2015	56,541	850	10,670	5,407	8	16,935	-	73,476
Total comprehensive income for the period	-	-	481	(858)	-	(377)	-	(377)
Transfer to safety fund surplus reserve	-	-	(123)	-	123	-	-	-
Utilisation of safety fund surplus reserve	-	-	14	-	(14)	-	-	-
Balance at 30 June 2015	56,541	850	11,042	4,549	117	16,558	-	73,099
Shares issued for acquisition of subsidiary	11,652	-	-	-	-	-	-	11,652
Share issuance expense	(11)	-	-	-	-	-	-	(11)
Total comprehensive income for the period	-	-	(2,460)	734	-	(1,726)	-	(1,726)
Acquisition of subsidiary	-	-	-	-	-	-	21,234	21,234
Transfer to safety fund surplus reserve	-	-	(12)	-	12	-	-	-
Utilisation of safety fund surplus reserve	-	-	44	-	(44)	-	-	-
Balance at 30 September 2015	68,182	850	8,614	5,283	85	14,832	21,234	104,248
Share issuance expense	(31)	-	-	-	-	-	-	(31)
Total comprehensive income for the period	-	-	4,309	(1,034)	-	3,275	-	3,275
Adjustment to fair value of net identifiable assets acquired	-	-	-	-	-	-	(10,945)	(10,945)
Transfer to safety fund surplus reserve	-	-	(316)	-	316	-	-	-
Utilisation of safety fund surplus reserve	-	-	20	-	(20)	-	-	-
Balance at 31 December 2015	68,151	850	12,627	4,249	381	18,107	10,289	96,547

Company	Share capital $'000	Retained earnings $'000	Total reserves $'000	Total equity $'000
2016				
Balance at 1 January 2016	68,151	8,862	8,862	77,013
Total comprehensive income for the period	-	(67)	(67)	(67)
Balance at 31 March 2016	68,151	8,795	8,795	76,946
Total comprehensive income for the period	-	(104)	(104)	(104)
Dividends paid	-	(901)	(901)	(901)
Balance at 30 June 2016	68,151	7,790	7,790	75,941
Total comprehensive income for the period	-	(842)	(842)	(842)
Balance at 30 September 2016	68,151	6,948	6,948	75,099
Share issuance expense	-	-	-	-
Total comprehensive income for the period	-	(404)	(404)	(404)
Balance at 31 December 2016	68,151	6,544	6,544	74,695
2015				
Balance at 1 January 2015	56,541	8,480	8,480	65,021
Total comprehensive income for the period	-	72	72	72
Balance at 31 March 2015	56,541	8,552	8,552	65,093
Total comprehensive income for the period	-	6	6	6
Balance at 30 June 2015	56,541	8,558	8,558	65,099
Shares issued for acquisition of subsidiary	11,652	-	-	11,652
Share issuance expense	(11)	-	-	(11)
Total comprehensive income for the period	-	21	21	21
Balance at 30 September 2015	68,182	8,579	8,579	76,761
Share issuance expense	(31)	-	-	(31)
Total comprehensive income for the period	-	283	283	283
Balance at 31 December 2015	68,151	8,862	8,862	77,013

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the fourth quarter ended 31 December 2016, there was no change in the Company's issued ordinary share capital. Total number of issued ordinary shares of the Company (excluding treasury shares) was 901,319,000 as at 31 December 2016.

As at 31 December 2015 and 31 December 2016, the Company had no outstanding convertible instruments.

As at 31 December 2015 and 31 December 2016, the Company did not hold any treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	31 December 2016	**31 December 2015**
Total number of issued shares (excluding treasury shares)	901,319,000	901,319,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited nor reviewed by the auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

For the current financial year ended 31 December 2016 ("**FY2016**"), the Group changed its accounting policy for amortisation of mining properties from straight-line method to unit-of-production ("**UOP**") method. Under the UOP method, the Group's mining properties are amortised over the estimated proved and probable reserves and measured resources of the mines whereas under the straight-line method, the mining properties are depreciated based on estimated useful lives.

Under the UOP method, the Group recognised amortisation expense relating to mining properties of $0.30 million and $0.61 million in 4Q2016 and the financial year ended 31 December 2016 ("**FY2016**"), respectively. The effect of the change in amortisation method is a decrease of $0.02 million and $0.66 million of amortisation expense in 4Q2016 and FY2016, respectively.

The Group is of the view that the UOP method is a better reflection of the expected consumption pattern of the future economic benefits embodied in the mining properties. The UOP method is also the more appropriate and more commonly used method of amortisation in the mining industry. Based on the current mining plan, the estimated useful life of the mines are expected to be longer than the licensed life and the management does not foresee any significant obstacle to renew the mining licenses as and when they expire. As such, using the UOP method in accordance with the production plans and the proved and probable reserves and measured resources of the mines is a better reflection of the expected consumption of future economic benefits. The change in amortisation policy will be applied prospectively from 1 January 2016.

Except as disclosed above and in Paragraph 5, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited consolidated financial statements for the financial year ended 31 December 2015 ("**FY2015**").

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted the new and revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of Financial Reporting Standards ("**INT FRS**") that are mandatory for the financial period beginning on 1 January 2016. The adoption of these new/revised FRS, INT FRS and amendments to FRS has no material impact on the financial performance or position of the Group and the Company.

The Group has also changed its accounting policy for amortisation of mining properties, details as set out in Paragraph 4.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**
(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	Fourth Quarter Ended 31 December		Financial Year Ended 31 December	
	2016	2015	2016	2015
(Loss)/earnings attributable to owners of the Company used in the computation of basic earnings per share ($'000)	(632)	4,309	(1,734)	2,209
Weighted average number of ordinary shares for basic earnings per share ('000)	901,319	901,319	901,319	843,859
Basic (loss)/earnings per share (cents)	(0.07)	0.48	(0.19)	0.26

As at 31 December 2016 and 31 December 2015, there were no dilutive instruments. The fully diluted (loss)/earnings per share was therefore the same as the basic (loss)/earnings per share for FY2016, FY2015, 4Q2016 and 4Q2015.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group As at		Company As at	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Net asset value ($'000)	91,071	96,547	74,695	77,013
Number of ordinary shares ('000)	901,319	901,319	901,319	901,319
Net asset value per ordinary share (cents)	10.10	10.71	8.29	8.54

The net asset value of the Group did not take into account the fair market value of the mining and exploration rights of Mine 1 and Mine 2 and the elemental phosphorous ("**P_4**") plant as these were recorded on historical cost basis. Note - as at 31 March 2013, the independent valuation of the mining and exploration rights of Mine 1 and Mine 2 and P_4 plant was RMB1.3 billion (approximately S$271 million based on an assumed exchange rate of $1: RMB4.798).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The figures in this section are approximate figures and where applicable, have been rounded to the nearest one (1) decimal place.

The Group is organised into product units as follows:

(a) upstream segment relates to the business of exploration, mining and sale of phosphate rocks (the "**Upstream Segment**"); and

(b) downstream segment relates to the business of manufacturing, sale and trading of phosphate-based chemicals products such as P_4, sodium tripolyphosphate ("**STPP**") and sodium hexametaphosphate ("**SHMP**"); and the sale of P_4 by-products, such as slag, sludge and ferrophosphate, produced as a result of such manufacturing process (the "**Downstream Segment**").

Profit or loss

Revenue, cost of goods sold and gross profit

	Group		
	4Q2016	4Q2015	Change
	$'000	$'000	%
Revenue			
Upstream segment	4,275	5,837	(27)
Downstream segment	9,242	11,002	(16)
Total	13,517	16,839	(20)
Cost of goods sold			
Upstream segment	3,679	4,188	(12)
Downstream segment	8,254	9,461	(13)
Total	11,933	13,649	(13)
Gross profit margin			
Upstream segment	14%	28%	
Downstream segment	11%	14%	
Overall	12%	19%	

Revenue decreased by $3.3 million, from $16.8 million in the fourth quarter ended 31 December 2015 ("**4Q2015**") to $13.5 million in 4Q2016.

Revenue from the Upstream Segment decreased by $1.5 million, from $5.8 million in 4Q2015 to $4.3 million in 4Q2016 due to the lower quantity of low quality phosphate rocks sold and lower average selling prices. The Group retained the high quality phosphate rocks for P_4 production and sold only the low quality phosphate rocks, leading to lower average selling prices. In 4Q2016, the Group sold 77,900 tonnes of phosphate rocks as compared to 88,600 tonnes in 4Q2015. Revenue from the Downstream Segment decreased by $1.8 million, from $11.0 million in 4Q2015 to $9.2 million in 4Q2016, due to the decrease in revenue from sale of P_4 arising from lower quantity of P_4 sold. In 4Q2016, the Group sold 3,840 tonnes of P_4 as compared to 4,600 tonnes in 4Q2015. The decrease in revenue from decrease in quantity of P_4 sold was partially offset by the increase in average selling prices.

Cost of goods sold for the Upstream Segment decreased by $0.5 million, from $4.2 million in 4Q2015 to $3.7 million in 4Q2016, in line with the decrease in revenue for this segment. Gross profit margin for the Upstream Segment decreased from 28% in 4Q2015 to 14% in 4Q2016 due to the lower average selling prices of phosphate rocks in 4Q2016 as the rocks sold were of low quality.

Cost of goods sold for the Downstream Segment decreased by $1.2 million, from $9.5 million in 4Q2015 to $8.3 million in 4Q2016, in line with the decrease in revenue from the Downstream Segment. The reduction in gross profit margin for the Downstream Segment from 14% in 4Q2015 to 11% in 4Q2016 was due to higher production costs in 4Q2016, due to restart costs for the P_4 plant following the industrial accident in October 2016.The reduction in gross profit margin was partially mitigated by higher average selling prices in 4Q2016.

Consequently, gross profit decreased by $1.6 million, from $3.2 million in 4Q2015 to $1.6 million in 4Q2016. Overall gross profit margin reduced from 19% in 4Q2015 to 12% in 4Q2016 due to reduction in gross profit margin for both the Upstream Segment and the Downstream Segment.

Other income

Other income decreased by $4.8 million, from $4.9 million in 4Q2015 to $0.1 million in 4Q2016, mainly due to the absence of fair value gains of $4.8 million which arose from the reassessment of purchase consideration of LY Resources Pte. Ltd. ("**LYR**"), leading to fair value gains from convertible loan note and derivative asset. There were no such fair value gains in 4Q2016.

Selling and distribution costs

Selling and distribution costs increased by $0.3 million, from $0.1 million in 4Q2015 to $0.4 million in 4Q2016 mainly due to transportation costs arising from sales from the Downstream Segment out of Sichuan made in 4Q2016.

General and administrative costs

General and administrative costs decreased by $1.0 million, from $2.8 million in 4Q2015 to $1.8 million in 4Q2016 mainly due to reduction in (i) professional fees, including those incurred for the redemption and issuance of redeemable preference shares ("**RPS**"), (ii) fixed electricity costs incurred on the P_4 plant, and (iii) provision of staff bonus, in 4Q2016.

Finance costs

Finance costs remained relatively unchanged at $0.3 million in 4Q2016 and 4Q2015.

Taxation

The tax credit recognised by the Group was mainly in relation to the depreciation and amortisation of property, plant and equipment as well as mining properties of the LYR group.

Balance sheet

Non-current assets

Non-current assets decreased by $4.6 million, from $126.2 million as at 31 December 2015 to $121.6 million as at 31 December 2016.

The decrease in the mine properties by $7.2 million and the increase in goodwill of $4.0 million was due to the finalisation of the purchase price allocation exercise in the second quarter of 2016 with respect to the acquisition of LYR in 2015 and amortisation expense for FY2016. Based on the preliminary independent valuation of the mine properties of the LYR group of RMB322 million, the Group recognised its share of the LYR group's mine properties of RMB261 million and provisional goodwill of $8.3 million at the date of acquisition. Based on the finalised independent valuation of mine properties of the LYR group of RMB293 million, the Group's share of the LYR group's mine properties was reduced to RMB237 million and the Group's goodwill increased from $8.3 million to $12.2 million. Goodwill represents the excess of purchase consideration over the fair value of the net identifiable assets of LYR acquired.

The decrease in land use rights and property, plant and equipment arose from translation differences, amortisation and depreciation expenses for FY2016.

Current assets

Current assets increased by $3.2 million, from $13.0 million as at 31 December 2015 to $16.2 million as at 31 December 2016, mainly due to increase in stocks, other receivables and prepayments. The Group took advantage of the favourable weather conditions and prolonged its mining operations till end of December 2016, resulting in mining output in 4Q2016 of 126,800 tonnes. In addition, the Group also continued the production of P_4 till end of December 2016 as there was continued demand from customers.

Such increases were partially offset by the decreases in trade receivables and cash and bank balances due to receipts from customers and payments made.

Current liabilities

Current liabilities increased by $0.5 million, from $20.6 million as at 31 December 2015 to $21.1 million as at 31 December 2016 mainly due to increase in trade payables, bank overdraft (secured), advances from customers, bank loans and loan due to a director.

Increase in trade payables, bank overdraft (secured) and advances from customers were mainly due to continued mining and P_4 production till end of December 2016 mentioned above. The Group drew down bank borrowings of RMB34 million in FY2016, with such bank borrowings maturing in 2017.

As announced by the Company on 22 December 2016, pursuant to a shareholder's loan agreement entered into between the Group's Chief Executive Officer and Executive Director, Dr. Ong Hian Eng ("**Dr. Ong**") and the Company, Dr. Ong has extended an interest-free and unsecured loan of $1.0 million to the Company for a duration of six (6) months ("**Dr. Ong Loan**").

The increases were partially offset by decrease in other payables, RPS and provision for taxation. Decreases in other payables and provision for taxation were due to payments made during the financial year.

In January 2016, the Group redeemed the RPS issued in April 2014 ("**2014 RPS**") which was valued at $8.05 million upon its maturity.

As at 31 December 2016, the Group recorded negative working capital of $4.9 million compared to a negative working capital of $7.6 million as at 31 December 2015. The improvement in negative working capital was mainly due to the increase in current assets, in particular the increase in stocks of $5.2 million as at 31 December 2016 as compared to 31 December 2015. Please refer to Paragraph 10 on page 18 for further details regarding the Group's negative working capital.

Non-current liabilities

Non-current liabilities increased by $3.5 million, from $22.1 million as at 31 December 2015 to $25.6 million as at 31 December 2016 mainly due to the issuance of new RPS in January 2016 (the "**2016 RPS**"). The 2016 RPS bears interest of 8% per annum and is contracted to mature in January 2021. As announced by the Company on 30 December 2016, the Group is proposing to undertake, *inter alia*, a redemption of the 2016 RPS (the "**Proposed Redemption**"). As at 31 December 2016, the Proposed Redemption has not been completed.

The increase in RPS is partially offset by reduction in deferred tax liabilities and deferred income.

Equity attributable to owners of the Company

Non-controlling interest represents the 45% equity interest in a subsidiary which is not owned by the Group.

Cash flow statement

Operating profit before working capital changes was $1.2 million for 4Q2016. Cash outflow due to changes in working capital was $1.2 million. Payments for interest expense in 4Q2016 amounted to $0.1 million. The above contributed to net cash outflows from operating activities of $0.1 million for 4Q2016.

Net cash flows used in investing activities was $1.5 million due to payments for property, plant and equipment.

Net cash flows generated from financing activities of $1.0 million was due to proceeds from the Dr. Ong Loan.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Upstream Segment

As disclosed in the Group's announcement dated 27 December 2016, the Group has applied for and is waiting for approval for the renewal of its mining license for Mine 1. The Sichuan Land and Resource Bureau has informed the Group that the area covered by the license could be inside the area earmarked for a proposed panda reserve and that further deliberations are needed to be made by the Sichuan Provincial Government before a final decision can be taken. The carrying value of the related infrastructure for Mine 1 as at 31 December 2016 amounted to RMB17.2 million (approximately $3.6 million).

In the event that said renewal is unsuccessful, the carrying value of the related infrastructure for Mine 1 may need to written down to its recoverable amount. As at the date of this announcement, as the Sichuan Provincial Government has yet to make a decision on the application, the Group has not written down the value of the mining right and related infrastructure nor recognised any compensation receivable in its financial statements as it is not practicable to make an estimate of the amount recoverable from compensation receiveable.

Any impact on the Group's consolidated income statement from the loss of output from Mine 1 may be mitigated by purchase of phosphate rocks from third parties for the Group's P_4 production. Furthermore, the Group will be able to redeploy its equipment currently working on Mine 1 to Mine 2 to increase Mine 2's output in FY2017.

As at 31 December 2016, the Group had 81,700 tonnes of phosphate rocks available for sale, as compared to 8,900 tonnes of phosphate rocks as at 31 December 2015.

Downstream Segment

During FY2016, the Group has successfully managed to build up a customer base for its P_4 business in China outside of Sichuan. However, this did not positively contribute to profitability in FY2016 because the Group's sales were affected by disruptions caused by the G20 Summit in Hangzhou in the third quarter of 2016 and the industrial accident at the Group's plant in 4Q2016. Barring unforeseen circumstances, the Group expects to resume full operating capacity in the second quarter of 2017.

Management will continue to monitor and improve production efficiency at the P_4 Plant to improve the Group's bottomline.

As at 31 December 2016, the Group had 1,200 tonnes of P_4 available for sale, as compared to no P_4 inventory as at 31 December 2015.

Debt Management

On 30 December 2016, the Company announced that it is proposing to undertake a renounceable non-underwritten rights issue (the "**Rights cum Warrants Issue**") of up to 112,664,875 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S$0.08 for each Rights Share, with up to 112,664,875 free detachable and transferable warrants (the "**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") at the exercise price of S$0.08 for each New Share, on the basis of one (1) Rights Share with one (1) Warrant for every eight (8) existing ordinary shares in the capital of the Company held by the shareholders of the Company as at a books closure date to be determined by the Board, fractional entitlements, if any, to be disregarded.

In conjunction with the Rights cum Warrants Issue, the Group also intends to undertake the Proposed Redemption.

<u>Going-concern Issues</u>

The Group had incurred an unaudited net loss after tax of S$1.7 million in FY2016 as compared to a net profit after tax of S$2.2 million in FY2015. In addition, the Group's unaudited current liabilities as at 31 December 2016 had exceeded its unaudited current assets as at 31 December 2016 by S$4.9 million as compared to S$7.6 million as at 31 December 2015. The Group had also incurred net cash flows used in operating activities of S$2.6 million in FY2016, as compared to net cash flows generated from operating activities of S$9.5 million in FY2015.

The above factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As at the date of this announcement, the audit of the financial statements of the Group for FY2016 is ongoing and accordingly, the possibility of an emphasis of matter or a qualification by the Group's auditors on the Group's financial statements for FY2016 has not been ruled out.

Rule 1303 of the SGX-ST Listing Manual Section B: Rules of Catalist provides that the SGX-ST may at any time suspend trading of the listed securities of an issuer if an issuer is unable to continue as a going concern or is unable to demonstrate to the SGX-ST and its shareholders that it is able to do so.

In the opinion of the directors of the Company (the "Directors"), the Group will be able to continue as a going concern for the following reasons:

i. based on the current cash flow projections, the Group expects to generate net cash inflows from its operating activities in FY2017;

ii. discussions will be carried out by the Group with financial institutions to rollover its existing loans as and when they fall due and to also extend new facilities to the Group. The Group had recently renewed facilities of RMB10 million (equivalent to approximately S$2.1 million) in January 2017. As at the date of this announcement, the Group has aggregate facilities of RMB24 million (equivalent to approximately S$5.0 million) which are due in May 2017 and June 2017. As the Group has in the past not defaulted on any of the loans extended to it, and barring unforeseen circumstances, the Directors expect that the Group will be able to obtain the requisite financing for the Group's operations;

iii. the proceeds from the Rights cum Warrants Issue and the proceeds to be raised from the exercise of the Warrants as and when the Warrants are exercised; and

iv. the interest savings arising from the Proposed Redemption.

In the event that the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Group's balance sheet. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities.

11. Dividend

(a) Current Financial Period Reported On: Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year: Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes. A final tax exempt (one-tier) dividend of 0.1 Singapore cents per ordinary share was declared for FY2015.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the fourth quarter ended 31 December 2016.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders of the Company.

On 21 June 2013, Dr. Ong (Chief Executive Officer and Executive Director of the Company), Mr Ong Kwee Eng (an associate of Dr. Ong), and key executives Mr Wang Xuebo and Mr Chia Chin Hau signed a deed of indemnity, under which they have jointly and severally undertaken, *inter alia*, to indemnify and hold harmless the Group against losses in connection with certain land use rights and certain licences, permits and approvals for the Group's PRC operations. No fees were paid or benefits given to the above-mentioned individuals in connection with the deed of indemnity. Please refer to the Company's offer document dated 25 September 2013 ("**Offer Document**") under the section entitled "Interested Person Transactions – Present and Ongoing Interested Period Transactions" (Page 191) for further details. Such indemnity against losses in connection with the abovementioned land use rights had expired on 7 April 2015.

On 26 January 2016, the Group issued 2016 RPS to certain investors, including Dr. Ong and a controlling shareholder of the Company, Astute Ventures Pte. Ltd. ("**Astute Ventures**"). Two (2) of the Company's directors, Mr Ong Eng Hock Simon and Mr Ong Eng Siew Raymond, each holds no less than 20% equity interest in Astute Ventures. For the financial year ended 31 December 2016, interest expense relating to the 2016 RPS paid and payable to Dr. Ong and Astute Ventures amounted to $306,000.

As at 31 December 2016, the Group has fully repaid the interest-free loan of $0.4 million extended by Dr. Ong to the Group in the second quarter of 2016 for its working capital purposes. The Dr. Ong Loan of $1.0 million is interest-free and unsecured for a duration of six (6) months.

14. Use of IPO proceeds.

As of the date of this announcement, the utilisation of the Group's IPO net proceeds is set out below:

Description	Amount allocated (as disclosed in the Offer Document)	Amount utilised as at the date of this announcement	Balance of net proceeds as at date of this announcement
	$'000	$'000	$'000
Development and financing of			
our Mining Operations	8,500	(2,969)	5,531
Financing the balance of Phase 1			
and Phase 2 of the Rebuilding Programme	11,499	(8,498)	3,001
Working capital	1,553	(9,093)	(7,540)
Net proceeds	21,552	(20,560)	992

Out of the $9.1 million utilised as working capital, an amount of $0.2 million was in relation to the listing expenses incurred in addition to the estimated expenses of $2.8 million as disclosed in the Offer Document.

Pending the deployment of proceeds for the allocated amount for Mining Operations and Phase 2 of the Rebuilding Programme, the Group has utilised $8.9 million from the IPO proceeds for working capital to fund (i) the purchases of materials and supplies; (ii) the production of rocks and P_4; (iii) repayment of bank borrowings and (iv) credit extended to customers for sale of rocks and P_4. The Group has received the land use certificate for Phase 2 land and is relooking at the resumption of the Phase 2 Rebuilding Programme.

The Company will make periodic announcements on the use of the proceeds as and when the funds are materially disbursed.

Part II Additional Information Required for Full Year Announcement

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

For management purposes, the Group is organised into product units and has two reportable segments as follows:

a. upstream segment relates to our business of exploration, mining and sale of phosphate rocks (the "**Upstream Segment**"); and

b. downstream segment relates to our business of manufacturing, sale and trading of phosphate-based chemicals products such as P_4, STPP and SHMP; and the sale of by-products, such as slag, sludge and ferrophosphate, produced as a result of such manufacturing process (the "**Downstream Segment**").

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. The Chief Operating Decision Maker does not monitor assets and liabilities by segments. The assets and liabilities are managed on a group basis. However, the information on additions to mine properties, land use rights and property, plant and equipment by operating segments is regularly provided to the Chief Operating Decision Maker.

	Upstream		Downstream		Adjustments and eliminations		Note	Total	
	FY2016 $'000	FY2015 $'000	FY2016 $'000	FY2015 $'000	FY2016 $'000	FY2015 $'000		FY2016 $'000	FY2015 $'000
Profit or loss									
Revenue - external	10,787	17,957	23,558	26,548	-	-	A	34,345	44,505
(Loss)/gain on disposal of property, plant and equipment	-	-	-	-	1	26		1	26
Amortisation expenses	(789)	(144)	(150)	(160)	-	-		(939)	(304)
Depreciation expenses	(1,984)	(2,014)	(1,032)	(846)	(335)	(405)	B	(3,351)	(3,265)
Interest income	-	-	-	-	13	1,093		13	1,093
Fair value gains	-	-	-	-	-	4,850		-	4,850
Termination of pre-existing contract	-	(2,429)	-	-	-	-		-	(2,429)
Segment profit/(loss) before tax	2,262	2,637	1,142	882	(5,335)	(492)	C	(1,931)	3,027
Assets									
Additions to non-current assets	3,258	76,246	493	3,586	43	402	D	3,794	80,234

Note Additional information and nature of adjustments and eliminations to arrive at amounts reported

A There were no inter-segment revenue.

B Adjustments relate to unallocated corporate income and expenses.

C The following items were added to segment profit/(loss) to arrive at "(loss)/profit before tax" presented in this announcement:

	Group	
	FY2016	FY2015
	$'000	$'000
(Loss)/gain on disposal of property, plant and equipment	1	26
Interest income	13	1,093
Fair value gain	-	4,850
Exchange gain	244	6
Interest expense	(821)	(1,218)
Other corporate expenses	(4,772)	(5,249)
	(5,335)	(492)

Increase in other corporate expenses mainly due to increase in general and administrative expenses as mentioned in paragraph 8 above.

D Additions to non-current assets comprised of additions to property, plant and equipment, deposits, convertible loan note, derivative asset and intangible asset.

Geographical information

Revenue information based on the geographical location of customers is as follows:

	Group			
	FY2016		FY2015	
	$'000	%	$'000	%
People's Republic of China	33,783	98	43,217	97
Others	562	2	1,288	3
	34,345	100	44,505	100

Non-current assets information based on the geographical location of assets is as follows:

	Group	
	FY2016	FY2015
	$'000	$'000
People's Republic of China	121,236	125,841
Singapore	340	401
	121,576	126,242

Non-current assets information presented above consist of property, plant and equipment, mine properties, land use rights, convertible loan note, derivative asset, prepayments, other receivables intangible asset and goodwill as presented in the consolidated balance sheets.

Information about major customers

	Group			
	FY2016		FY2015	
	$'000	% of revenue	$'000	% of revenue
Revenue				
Customer A [(1)]	5,636	16	13,291	30
Customer B [(2)]	1,808	5	4,987	11

(1) Upstream segment
(2) Downstream segment

Information about products

Revenue information based on products are as follows:

	FY2016 $'000	FY2015 $'000
Phosphate rocks	10,787	17,957
P_4 and its by-products	22,581	25,260
STPP	627	942
SHMP	298	292
Others *	52	54
	34,345	44,505

* Others represents trading revenue from other phosphate chemicals.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

See paragraph 8.

17. A breakdown of sales as follows:

Group	FY2016 $'000	FY2015 $'000	Increase/ (decrease) %
a) Revenue			
- first half year	11,588	18,286	(37)
- second half year	22,757	26,219	(13)
	34,345	44,505	(23)
(b) Operating (loss)/profit after tax before deducting minority interests			
- first half year	(549)	360	N.M.
- second half year	(1,185)	1,849	N.M.
	(1,734)	2,209	N.M.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

	Group	
	FY2016 $'000	FY2015 $'000
Ordinary	-	901
Preference	-	-
Total	-	901

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	**Age**	**Family relationship with any director, CEO and/or substantial shareholder**	**Current position and duties, and the year the position was first held**	**Details of changes in duties and position held, if any, during the year**
Ong Hian Eng	69	(i) Uncle of Simon Ong, executive director and Raymond Ong, a non-executive director. (ii) Father of Ong Bee Pheng, a non-executive director. (iii) Father-in-law of Jaime Chiew Chi Loong, Chief Risk Officer.	(i) Current Position: Chief Executive Officer and Executive Director. (ii) Duties: Responsible for overseeing the overall development of Group's corporate direction, policies and operations. (iii) Appointed since 3 January 2012.	Nil
Ong Eng Hock Simon ("Simon Ong")	52	(i) Brother of Raymond Ong, a non-executive director. (ii) Nephew of Ong Hian Eng, CEO and executive director. (iii) Cousin of Ong Bee Pheng, a non-executive director.	(i) Current Position: Executive Director. (ii) Duties: human resource and general administration functions of the Group. (iii) Appointed since 1 October 2012.	Nil
Ong Eng Siew Raymond ("Raymond Ong")	50	(i) Brother of Simon Ong, an executive director. (ii) Nephew of Ong Hian Eng, CEO and executive director. (iii) Cousin of Ong Bee Pheng, a non-executive director.	(i) Current Position: Non-Executive Director. (ii) Duties: Non-executive. (iii) Appointed since 1 October 2012.	Nil
Ong Bee Pheng	41	(i) Cousin of Raymond Ong, a non-executive director; and Simon Ong, an executive director. (ii) Daughter of Ong Hian Eng, CEO and executive director. (iii) Spouse of Jaime Chiew Chi Loong, Chief Risk Officer	(i) Current Position: Non-Executive Director. (ii) Duties: Non-executive. (iii) Appointed since: 1 October 2012.	Nil
Jaime Chiew Chi Loong	40	(i) Spouse of Ong Bee Pheng, a non-executive director.	(i) Current Position: Chief Risk Officer.	Nil

		(ii) Son-in-law of Ong Hian Eng, CEO and executive director.	(ii) Duties: primarily be responsible for overseeing the Group's risk management activities, budgeting process and monitoring of key performance indicators. (iii) Appointed since 2 September 2014.	
Melissa Ong Bee Kuan	40	(i) Sister of Simon Ong, an executive director and Raymond Ong, a non-executive director. (ii) Niece of Ong Hian Eng, CEO and executive director. (iii) Cousin of Ong Bee Pheng, a non-executive director.	(i) Current Position: Human Resource and Administration Manager. (ii) Duties: human resource and general administration functions of the Group. (iii) Appointed since 4 March 2016.	Melissa Ong Bee Kuan was appointed on 4 March 2016.

20. Additional disclosure required for Mineral, Oil and Gas companies

20 (a) Rule 705(6)(a) of the Catalist Listing Manual

i. Use of funds/cash for the quarter:

	Actual
	$'000
Further mining and exploration activities	242
Expenditure on mining related infrastructure and purchase of equipment	-
	242

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:

	Projected	
	RMB'000	$'000*
Further mining and exploration activities	-	-
Expenditure on mining related infrastructure and purchase of equipment	-	-
	-	-

20 (b) Rule 705(6)(b) of the Catalist Listing Manual

The board of directors (the "**Board**") of the Company hereby confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

20 (c) Rule 705(7) of the Catalist Listing Manual

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Group and a summary of the expenditure incurred on those activities including explanations for any material variances with previous projections, for the period under review. If there has been no exploration development and/or production activity respectively, that fact must be stated.

	Projected		Actual	Variance
	RMB'000	$'000*	$'000	$'000
Further mining and exploration activities	5,759	1,200	242	958
Expenditure on mining related infrastructure and purchase of equipment	356	74	-	74
	6,115	1,274	242	1,032

* Based on an assumed exchange rate of RMB4.798 : S$1.00

Certain expenditure incurred in 4Q2016 were paid in the first quarter of 2017 upon verification of work done.

20 (d) Rule 705(7)(b) of the Catalist Listing Manual

Update on its reserve and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

Save for the information provided in the announcement dated 15 March 2016, the Group has no material updates on its phosphate reserves and resources as set out in the qualified person report issued by Watts, Griffis and McOuat Limited dated 9 March 2016.

The Group will provide updates should there be any material change to the estimates.

21. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company hereby confirms that it has procured signed undertakings from all its Directors and the relevant executive officers in the format as set out in Appendix 7H of the Catalist Listing Manual in accordance with Rule 720(1) of the Catalist Listing Manual.

On behalf of the Board,
Ong Eng Hock Simon
Executive Director
20 February 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement and has not drawn on any specific technical expertise in its review of this announcement.

The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Lim Hoon Khiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.