

ASIAPHOS

Corporate Presentation

Singapore Capital Expo & Small Cap Showcase

21 May 2015





DISCLAIMER

This presentation should be read in conjunction with the:

- Unaudited financial statements announcement of AsiaPhos Limited for the full quarter ended 31 March 2015, dated 29 April 2015
- Audited financial statements announcement of AsiaPhos Limited for the full year ended 31 December 2014, dated 27 March 2015
- Offer document of AsiaPhos Limited dated 25 September 2013 (the “Offer Document”)

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Executive Summary



Business started in 1996; Possesses the rights to explore and mine phosphate (since 2002), a valuable and non-renewable natural resource in Sichuan Province, the PRC



Adopts a vertically-integrated strategy by investing in downstream processing facilities which:

- refine and process phosphate rocks; and
- produce and sell phosphate-based chemical products



Was affected by the 2008 earthquake in Wenchuan County, Sichuan Province, the PRC, and has been focused on rebuilding since



First mineral resources company to be listed on the SGX-ST which is solely focused on exploring and mining phosphate in the PRC

AsiaPhos Limited

Strong Mining Throughput Drove Gains

AsiaPhos Limited announced a strong set of results for 1Q FY15, with revenue of S\$6.3m, or 160% higher than the S\$2.4m reported for 1Q FY14. Total comprehensive income attributable to shareholders amounted to S\$1.48m. Excluding foreign currency translation gain of S\$1.6m, loss attributable to shareholders narrowed to S\$0.12m from S\$0.415m a year ago. Based on the high level of output and the profitability of the company in 1Q FY15, we expect the company to be profitable in the seasonal mining peak periods of 2Q and 4Q FY15. In turn, these profits should lead to positive operating gains for the full year.

Improved Financial Visibility in 2015: 1Q FY15 revenue and gross profit are equivalent to about 19.7% and 16.3% of our full year forecasts respectively, while phosphate rock production, at 25,900 tonnes, was about 8.6% of our forecast of 300,000 tonnes for 2015. In comparison, production, revenue and gross profit accounted for 7.8%, 10.1% and 13.6% of full year totals in 2014. Given that the 1Q and 3Q are typically the seasonal lows of the year for AsiaPhos, we see the results as broadly above expectations, and indicative of a strong full year performance.

Increase Exposure

- Intrinsic Value S\$0.245
- Previous Close S\$0.110

Main Activities

AsiaPhos Limited is a Singapore headquartered phosphate exploration & mining and phosphate-based chemical products manufacturer operating in the vicinity of Mianzhu (绵竹) City, Deyang (德阳) prefecture of Sichuan (四川) province, PRC. As at 21 November 2014, it has 30.3m tonnes of Measured and Indicated phosphorite resources.

Financial Highlights

(Y/E Dec) S\$m	FY13	FY14	FY15F
Revenue	8.46	23.8	31.9
Gross Profit	2.55	4.68	9.69
Other Income	1.88	21.78	1.80
Profit After Tax	-3.67	19.50	2.47
EPS (S cts)*	-0.46	2.44	0.31

*Adjusted for the post-IPO enlarged share capital

Source: Voyage Research Estimates

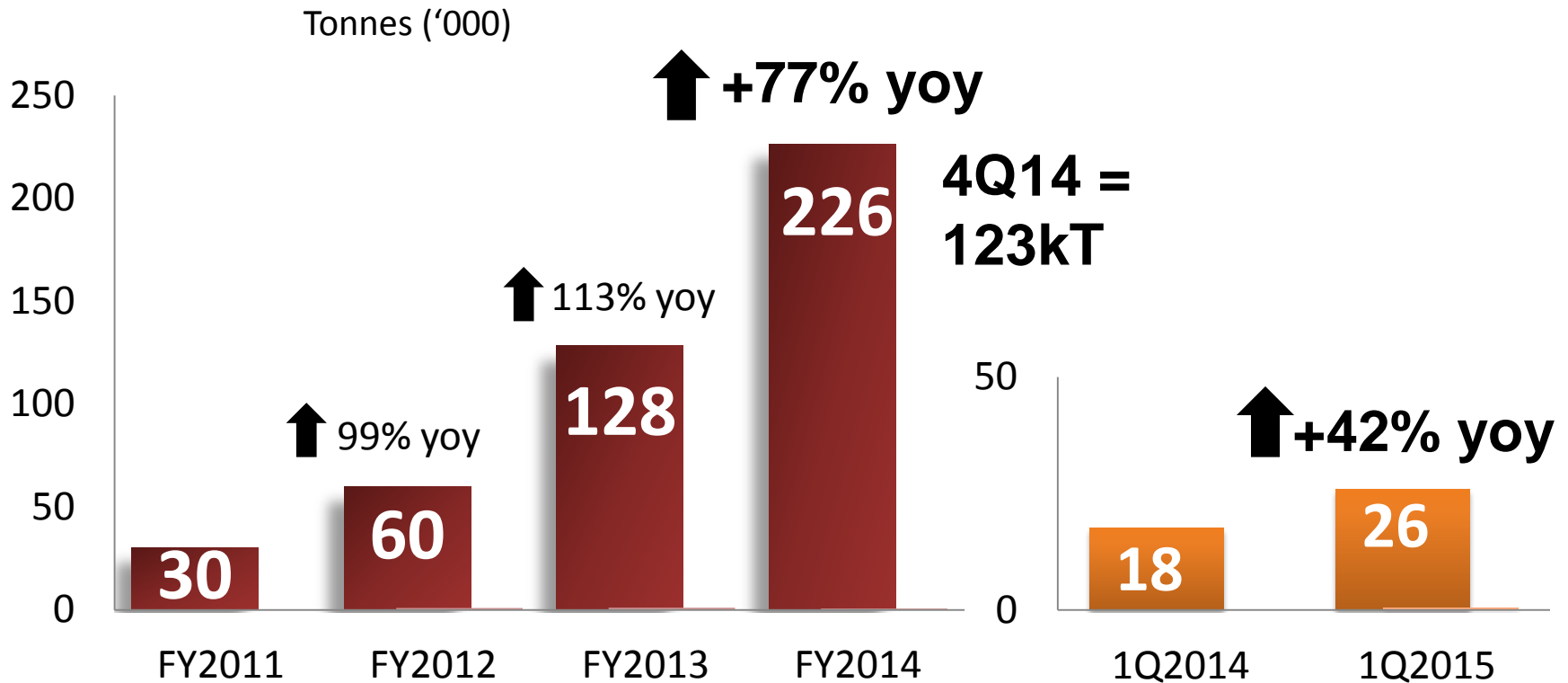
Key ratios (FY15F)

PER	NM
P/BV	1.18
ROE	3.4%
Debt/Equity	6.7%
Current ratio	0.85

Source: Voyage Research Estimates



Upstream Segment – Mining Output



- **Higher yoy output in 2014 (despite landslide)**
 - Total output increased almost 80% from 128,300 tonnes in FY2013 to 226,000 tonnes in FY2014
- **42% yoy rise in 1Q2015 output (Note: Q2 / Q4 = main mining season)**



Investment Merits

1. Two working mines with rising output
 - 30.3 million tonnes of measured and indicated phosphorite resources (Note 1)
2. Proposed completion of LYR acquisition is expected to expand exploration and mineral resource base
3. Reduction in mining surcharge will lead to better margin
4. Vertically-integrated strategy allows benefits from operational synergies, and sales and production flexibility
5. Recent favourable policies in China indicate a Positive outlook for phosphate and related chemical products
6. Dedicated and experienced directors and management team, with CEO and Executive Director, Dr. Ong Hian Eng, as legal representative of our PRC subsidiary

(1) Source : WGM Technical Report, dated 21 November 2014



About Phosphate

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What is Phosphate?

- Phosphate is a valuable and non-renewable natural resource
- Used to produce downstream phosphate-based chemical products, such as:
 - yellow phosphorus (“**P₄**”)
 - thermal phosphoric acid
 - sodium hexametaphosphate (“**SHMP**”)
 - sodium tripolyphosphate (“**STPP**”)
- China is the world’s largest producer and consumer of phosphate rocks and phosphates



Uses of Phosphate and Related Chemicals

Phosphate rocks are used in:

- P_4 and other downstream phosphate-based chemical products
- Fertilisers





Uses of Phosphate and Related Chemicals



Fertilisers



Oral hygiene products



Beverages



Fire retardants



Pharmaceutical products



LCD panels



Uses of Phosphate and Related Chemicals

STPP is used in, or in the manufacturing process for:



Food and beverage products



Detergents

SHMP is used in, or in the manufacturing process for:



Paints



Food processing



Water treatment products



Our Business

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Our Vertically-Integrated Business Strategy

Upon completion of our Rebuilding Programme, our vertically-integrated business model will involve the following:

Mining Operations



**Phosphate
Rocks**

Mining

- Rights to explore and mine phosphate from our two mines located in Sichuan Province, the PRC

Chemical Production Operations



P₄

P₄ Processing

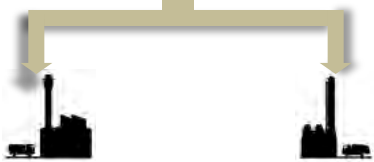
- Commercial production commenced in FY2014



**Thermal
Phosphoric
Acid**

Acid Manufacturing

- Planned construction of new thermal phosphoric acid plant with designed capacity of 30,000 tonnes per year



SHMP

(food & non food grade)

STPP

(food & non food grade)

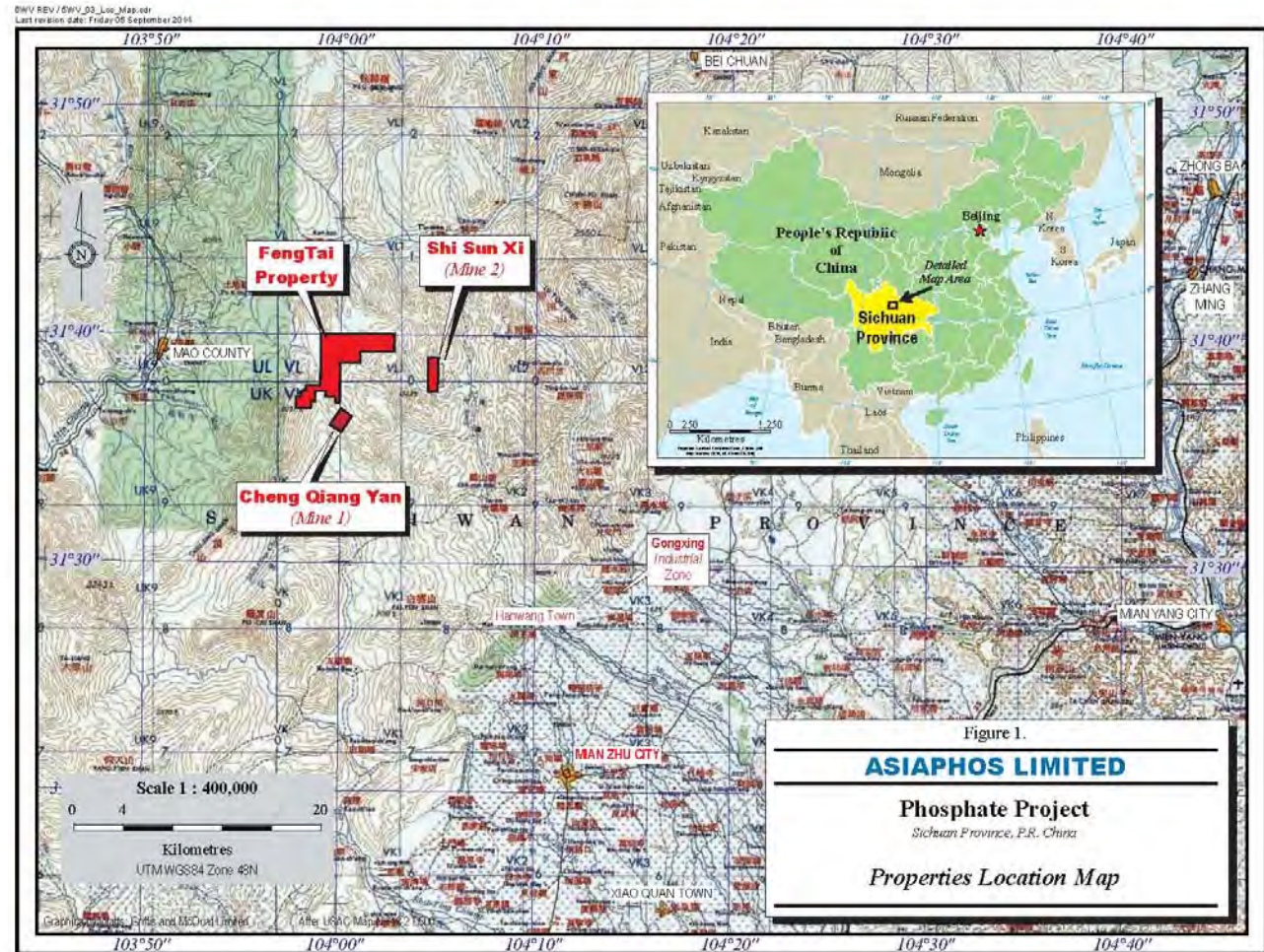
SHMP and STPP Manufacturing

- Completed relocation of one STPP plant (and resumed commercial production) with designed capacity of 30,000 tonnes per year
- Planned construction of one SHMP plant with designed capacity of 20,000 tonnes per year



Location of Mines and Production Plants

- The Group's operations are located in the vicinity of Mianzhu City, Sichuan Province, the PRC
- The production facilities are located at Gongxing Industrial Zone, which is only 40 km from the Group's mines





Exploration and mining licences

	Mine 1 (Cheng Qiang Yan)	Vicinity of Mine 1	Mine 2 (Shi Sun Xi)	Vicinity of Mine 2	Fengtai (refer Note)
	Mining Rights	Exploration Rights	Mining Rights	Exploration Rights	Exploration Rights
Current licence period	March 2011 to December 2015	April 2014 to April 2016	March 2011 to January 2020	Renewal application submitted & is in-process	2 years, ending December 2015
Permit area	1.6491 km ²	1.54 km ²	2.0237 km ²	1.28 km ²	17.91 km ²
Approved production scale	50,000 tonnes per annum	Not applicable	200,000 tonnes per annum	Not applicable	Not applicable

Note:

- Mine 1 & 2: Technical Report prepared by Watts, Griffis & McQuat (WGM), in accordance with NI 43-101, estimates that phosphorus rock output of 1 million tonnes per annum is possible with proper planning and CAPEX
- Fengtai: Refer to corporate announcement dated 22 April 2014. As of 29 April 2015, Fengtai transaction is pending completion.



Independent Resource Estimate

(prepared in accordance with NI 43-101)

Based on WGM Technical Report	Tonnes (million)	Tonnes (million)	Tonnes (million)
Measured and indicated resources (2 mines)	Sum of Mine 1 and 2	Mine 1	Mine 2
mining rights	20.5	2.9	17.6
exploration rights	9.8	8.4	1.4
Total	30.3	11.3	19.0
Inferred resources (2 mines)			
mining rights	1.8	-	1.8
exploration rights	16.1	-	16.1
Total	17.9	-	17.9

Source: WGM Technical Report, 21 November 2014 (Excludes Fengtai). Refer following page for WGM's detailed resource estimates table / footnotes. Effective date of mineral resource estimate is 30 September 2014.



Independent Resource Estimate (continued)

(Extract from WGM Technical Report prepared in accordance with NI 43-101)

Category	Mineral Type	Gross Attributable to licence		Net Attributable to Issuer Assumed at 100%		
		Tonnes (millions)	Grade (P ₂ O ₅ %)	Tonnes (millions)	Grade (P ₂ O ₅ %)	Change from previous update ⁸ (%)
Resources						
Measured	Phosphorite	18.2	27.54	18.2	27.54	65%
Indicated*	Phosphorite	<u>12.1</u>	<u>29.43</u>	<u>12.1</u>	<u>29.43</u>	0%
Total		30.3	28.29	30.3	28.29	31%
Inferred*	Phosphorite	17.9	29.77	17.9	29.77	-5%

Notes:

Mineral Resources effective 30 September 2014.

1. Mineral Resources are estimated at a cutoff value of 8% P₂O₅, and a minimum phosphorite bed thickness of 0.25 m.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
4. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council June 30, 2011.
5. S.G. of 3.08 tonnes/m³ and 3.03 tonnes/m³ used for Cheng Qiang Yan and Shi Sun Xi respectively.
6. Indicated amounts may not precisely sum due to rounding.
7. Inferred Resource cannot be included in total Resource calculation under NI 43-101 Standard.
8. Previous mineral resource estimate update was prepared March 28, 2014.

* Pending renewal of Mine 2 exploration permit. The Group has applied for renewal and is awaiting for approval. Failure to receive approval will not affect current operations and is not considered material as only 1.3 million tonnes of indicated resources would be impacted.



Geologist (WGM) visit to our Mines in 2014 (Increased Resource Estimate)





Gongxing Production Facilities

- Rebuilding programme in Gongxing Industrial Zone, Sichuan Province, the PRC
 - Phase1: New site of approximately 54,863 m²; land use rights obtained
 - Designed to withstand earthquakes of up to 7.0 on Richter scale

- Phase 1 completed:
 - Two new P₄ furnaces, each with designed annual capacity of 10,000 tonnes
 - Commercial production of P₄ commenced in May 2014

- Receipt of Land Use Rights for Phase 2 Land
 - Announced: 12 March 2015





Competitive Strengths

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Higher Quality Phosphate Rocks

- AsiaPhos' phosphate rocks have relatively high P_2O_5 content $\approx >29\%$
 - Higher value and demand
 - Phosphate rock deposits with P_2O_5 content of at least 30% constitute only 10 - 25% of the total phosphate rock deposits in the PRC
 - Most phosphate mines in the PRC are mining phosphate rocks with P_2O_5 content of 20 – 25%
 - Average grade of PRC's phosphate rock deposits is estimated to have P_2O_5 content of below 20%

- We believe that our phosphate rocks have relatively low arsenic content $\approx 8 - 10$ ppm





Financial Highlights

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Income Statement Highlights

Financial Year Ended 31 Dec	(Audited) FY2014 S\$'000	(Audited) FY2013 S\$'000	Change %
Revenue	23,822	8,458	182
Gross profit	4,684	2,550	84
Other Income*	21,781	1,883	1057
<i>*Includes net fair value gains on financial instruments relating to LYR acquisition</i>			
Profit/(loss) before tax	19,484	(2,249)	N.M
Profit/(loss) after tax	19,498	(3,667)	N.M

“N.M” denotes not meaningful.



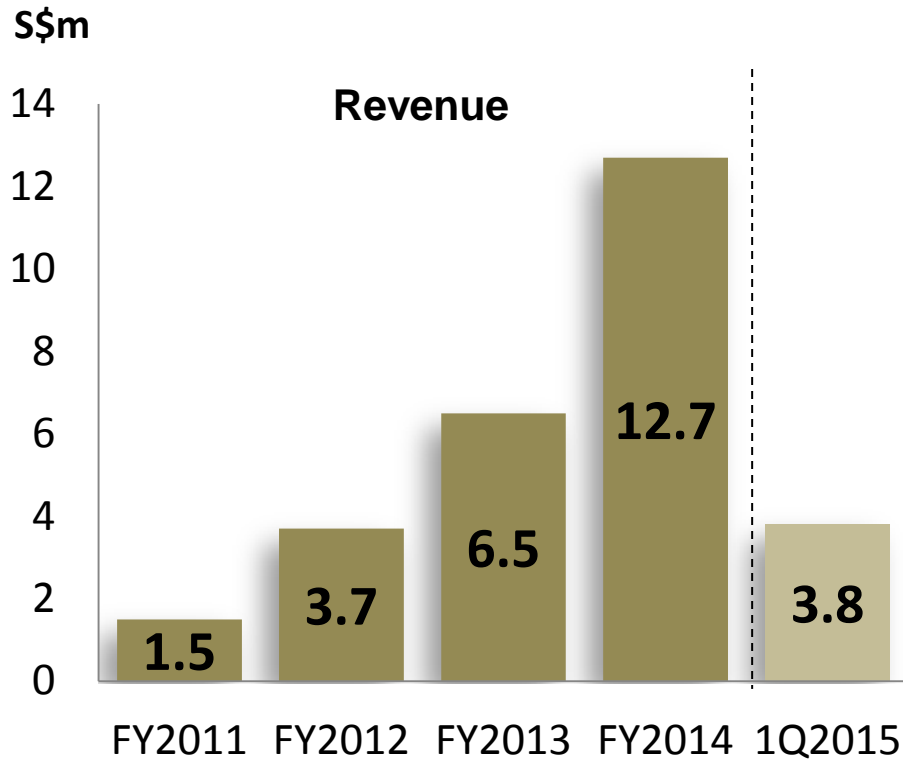
Income Statement Highlights

3 Months Ended 31 Mar	(Unaudited) 1Q2015 S\$'000	1Q2014 S\$'000	Change %
Revenue	6,278	2,416	160
Gross profit	1,576	636	85
Other Income	562	34	1553
Profit/(loss) before tax	(59)	(415)	N.M
Profit/(loss) after tax	(121)	(415)	N.M

“N.M” denotes not meaningful.



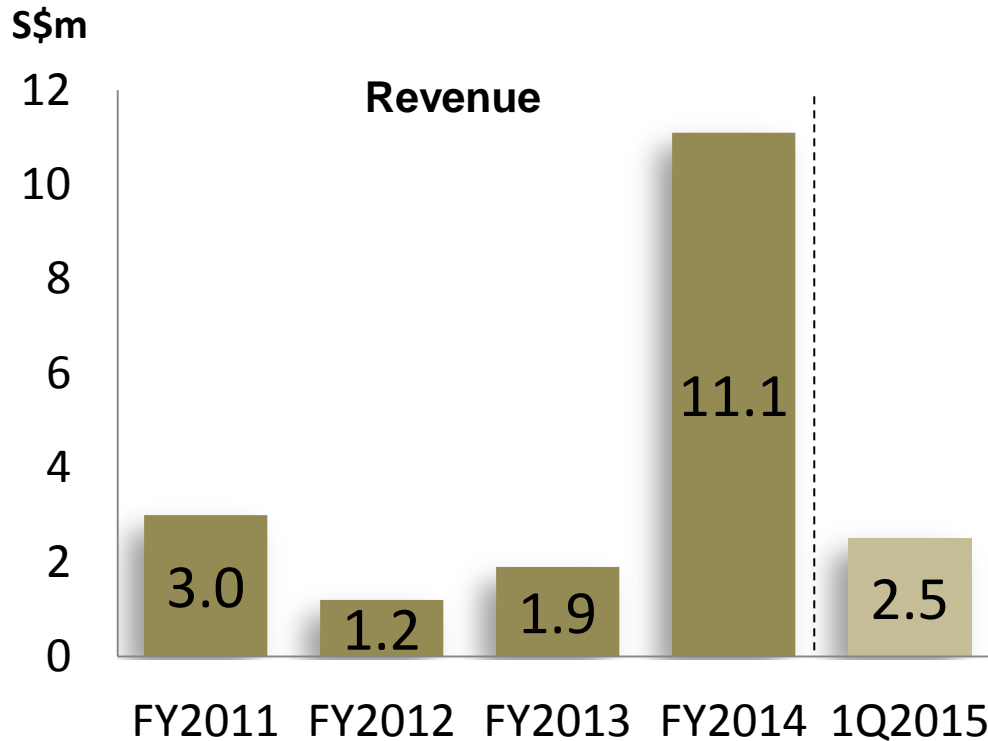
Upstream Segment - Revenue



➤ **95% yoy increase in upstream revenue to S\$12.7m in FY2014**



Downstream Segment – Revenue



- **477% yoy increase in downstream revenue to S\$11.1 million in FY2014**



Balance Sheet

S\$m	As at 31 Mar 2015 (Unaudited)	As at 31 Dec 2014 (Audited)
ASSETS		
Current Assets	15.4	18.8
Non-Current Assets	83.2	81.1
Total Assets	98.6	99.9
LIABILITIES		
Current Liabilities	12.8	15.8
Non-Current Liabilities	12.4	12.2
Total Liabilities	25.2	28.0
EQUITY		
Share Capital	56.5	56.5
Reserves	16.9	15.5
Total Equity	73.5	72.0



Recent Developments

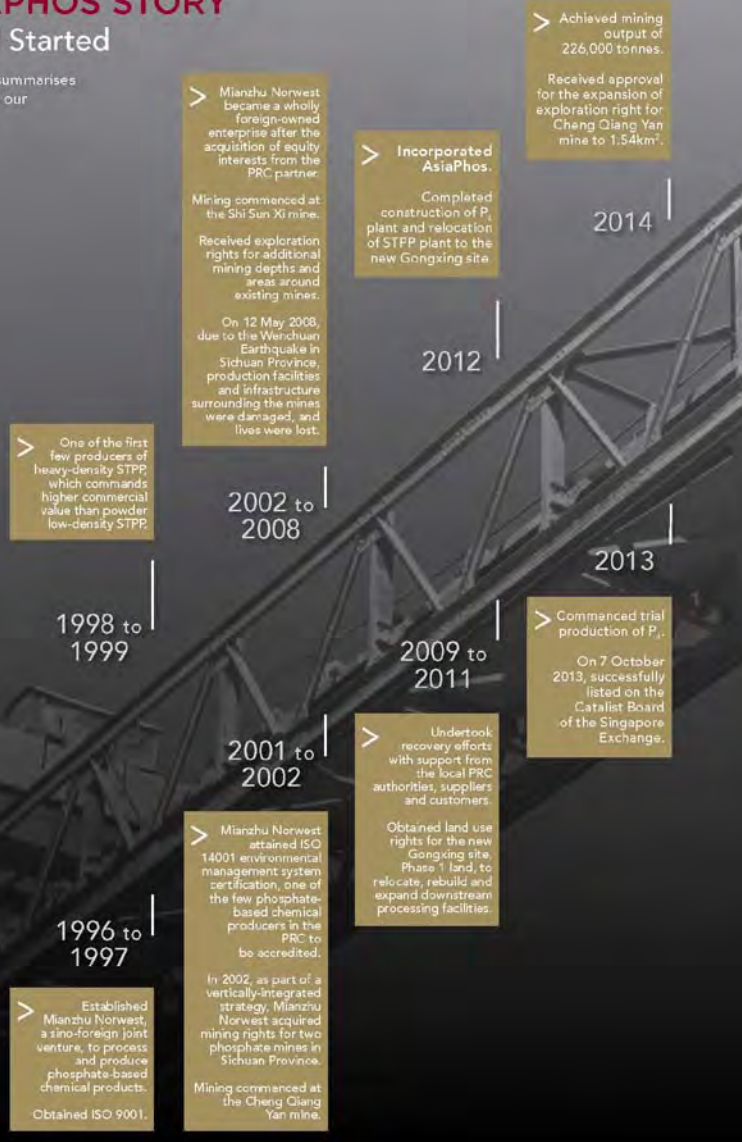
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THE ASIAPHOS STORY

Where It All Started

The following timeline summarises the significant events in our corporate history.



2014 milestones:

- Achieved mining output of ~226,000 tonnes.
- Received approval for expansion of exploration right for Cheng Qiang Yan (CQY) mine to 1.54km².

Recent developments:

- Receipt of Land Use Rights for Phase 2 Land (March 2015)
- Proposed acquisition of LY Resources (LYR), announced April 2014
- M&I phosphate resources estimate: Increased +31%, to 30.3 million tonnes (announced Nov 2014)
- Reduction in mining surcharge (announced February 2015)



Recent Developments: Receipt of Land Use Rights for Phase 2 Land

- Announced: 12 March 2015
- The Company will provide updates on the progress of the Rebuilding Programme on the Phase 2 Land when there are material developments.



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RECEIPT OF LAND USE RIGHTS FOR PHASE 2 LAND

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the offer document dated 25 September 2013 registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 25 September 2013 (the "Offer Document").

The Board of Directors (the "**Board**") of AsiaPhos Limited (the "**Company**") refers to Page 109 of the Offer Document in respect of the Phase 2 Land, where it was disclosed in the Offer Document that as at the date of listing, Mianzhu Land Bureau had not issued the land use rights for Phase 2 Land to Mianzhu Norwest for the purpose of the Rebuilding Programme.

As previously stated in the Offer Document, Mianzhu Norwest has (i) paid a fully-refundable partial deposit of RMB8 million; and (ii) received the 土地红线图 (Red Line Drawings of Land) for Phase 2 Land, the 绵竹市规划局建设工程规划设计技术要求通知书 (a notice for Phase 2 Land issued by the Mianzhu Planning Bureau), the 建设用地规划许可证 (Construction Land Planning Permit), the 建设工程规划许可证 (Construction Project Planning Permit) issued by the Mianzhu Planning Bureau, and the 建筑工程施工许可证 (Building Construction Permit) issued by Mianzhu Construction Bureau for Phase 2 of the Rebuilding Programme.

In December 2014, Mianzhu had paid the outstanding balance of RMB5.9 million.

The Board is pleased to inform the shareholders that, Mianzhu Norwest has received an approval dated 28 February 2015 from Mianzhu Land Bureau on the land use rights for Phase 2 Land.

The Company will provide updates on the progress of the Rebuilding Programme on the Phase 2 Land when there are material developments.

BY ORDER OF THE BOARD

Simon Ong Eng Hock
 Executive Director
 AsiaPhos Limited

12 March 2015



Proposed Acquisition of LY Resources Pte Ltd (“LYR”)

- Independent valuers have indicated that the valuation of LYR has exceeded the valuation threshold of RMB250 million
- Subject to the receipt of the final valuation report and satisfactory completion of other conditions precedent, the Group intends to complete the acquisition
- LYR acquisition would allow the Group to gain:
 - ✓ **Improved financial performance:** Entire economic benefits of an existing co-operation arrangement presently accruing to its co-operation partner
 - ✓ **Access to an exploration area** (the “FengTai Licence”) - parcel approximately 17.91 km² (almost 4.8 times the size of the Group’s existing mining area) - near its existing mines





Reduction in Mining Surcharge

- Local government reduced the mining surcharge from RMB30 per tonne to RMB8 per tonne





Mian Mao Highway expected to improve access / haulage road

- Phased construction of the Mian Mao Highway (part of HK/Sichuan post-earthquake reconstruction cooperation programme)
- Completion of Mian Mao Highway will increase accessibility between mines and production facilities
- Increased reliability and shortened time required for transportation of phosphate rocks upon completion of Mian Mao Highway





Investment Merits

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AsiaPhos Limited

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Source: Voyage Research Estimates



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The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Corporate Finance and Mr Low Han Keat, Senior Director, Corporate Finance, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.

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