

# ASIAPHOS

Corporate Presentation

Financial Year ended 31 December 2013

24 February 2014





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# Financial Highlights

For the fourth quarter and financial year ended 31 December 2013

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## Income Statement Highlights

S\$'000	4Q2013	4Q2012	Change	FY2013	FY2012	Change
Revenue	2,700	948	185%	8,458	4,897	73%
Gross profit	734	493	49%	2,550	2,101	21%
General and administrative costs	(1,992)	(1,482)	34%	(6,244)	(3,899)	60%
Profit/(loss) before tax	238	(796)	N.M.	(2,249)	1,509	N.M.
Profit/(loss) after tax	(1,180)	(951)	24%	(3,667)	1,225	N.M.

“N.M.” denotes not meaningful.

➤ One-off listing expenses of S\$2.5 m and deferred tax charge of S\$1.4 m

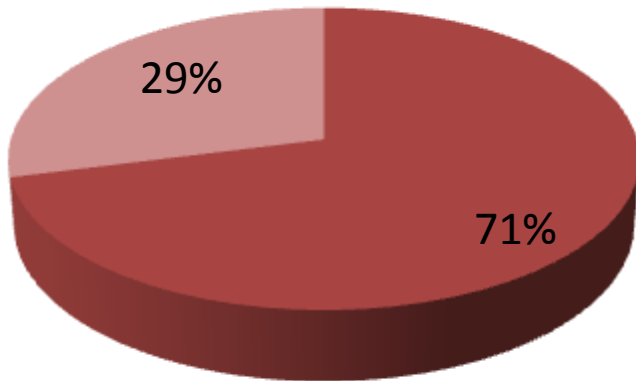




## Breakdown of Revenue and Gross Profit by Business for 4Q2013

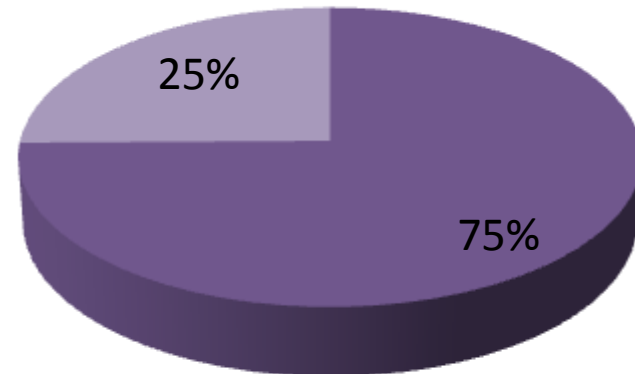
### Revenue

■ Upstream ■ Downstream



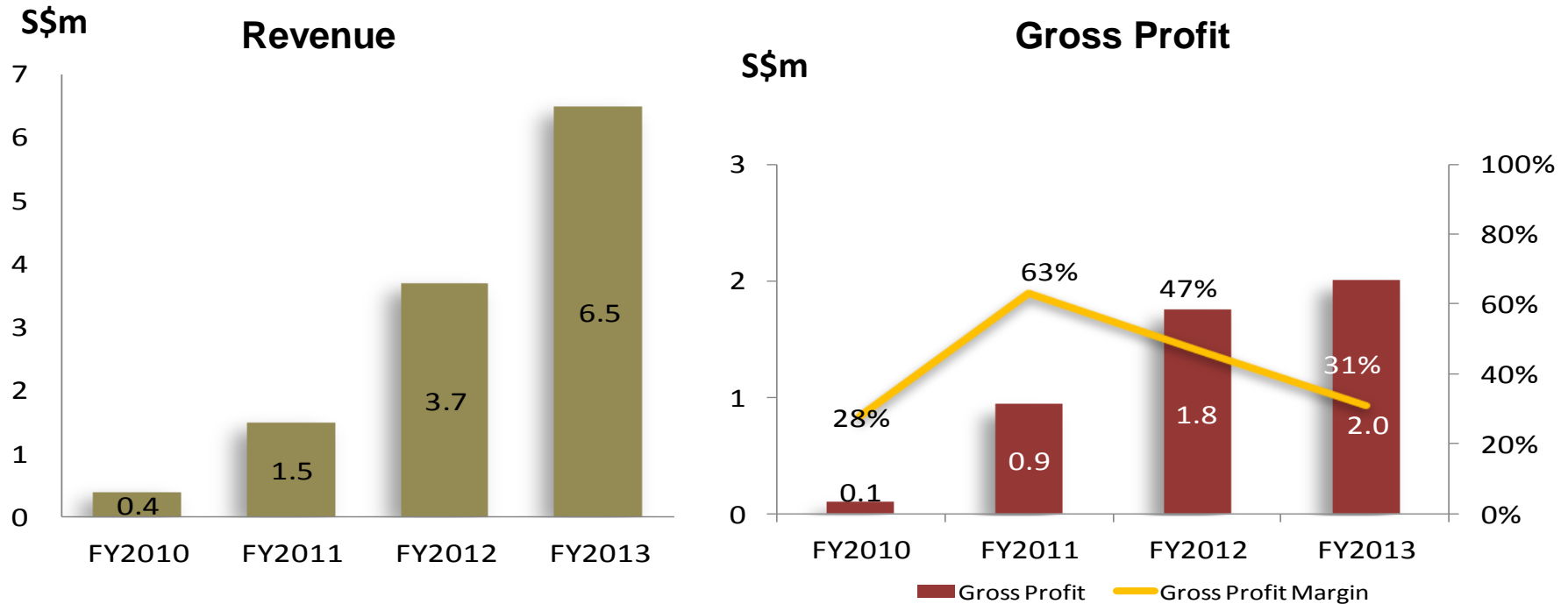
### Gross Profit

■ Upstream ■ Downstream





## Upstream Segment - Revenue & Gross Profit



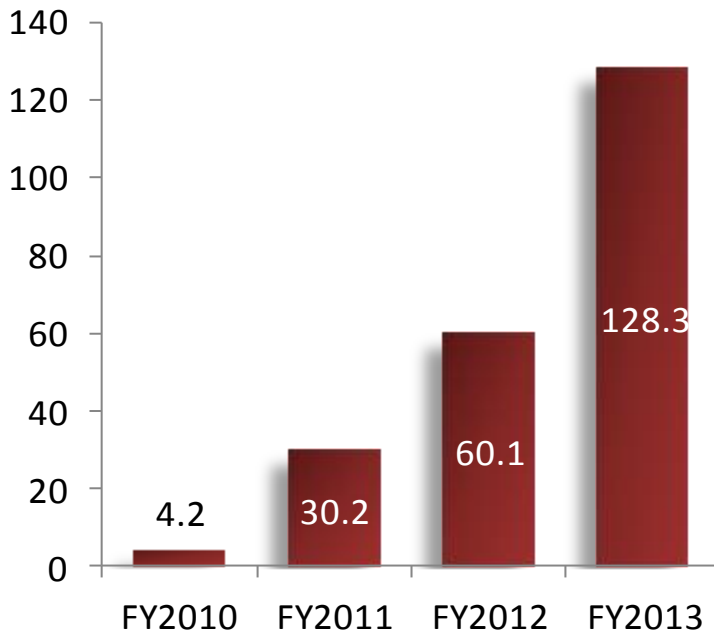
- **Increase in revenue from both upstream and downstream segments, with upstream being dominant**
  - Increase in mining output (128,300 tonnes in FY2013)
  - Increase in sales quantity
- **Continued rise in gross profit ↑ 11% yoy; Gross profit margin ↓ 16 pp**
  - The Group's strategy of selling lower quality phosphate rocks while keeping the higher quality phosphate rocks for P<sub>4</sub> production held down average selling prices in 4Q2013, driving lower gross profit margin



## Upstream Segment – Mining Output

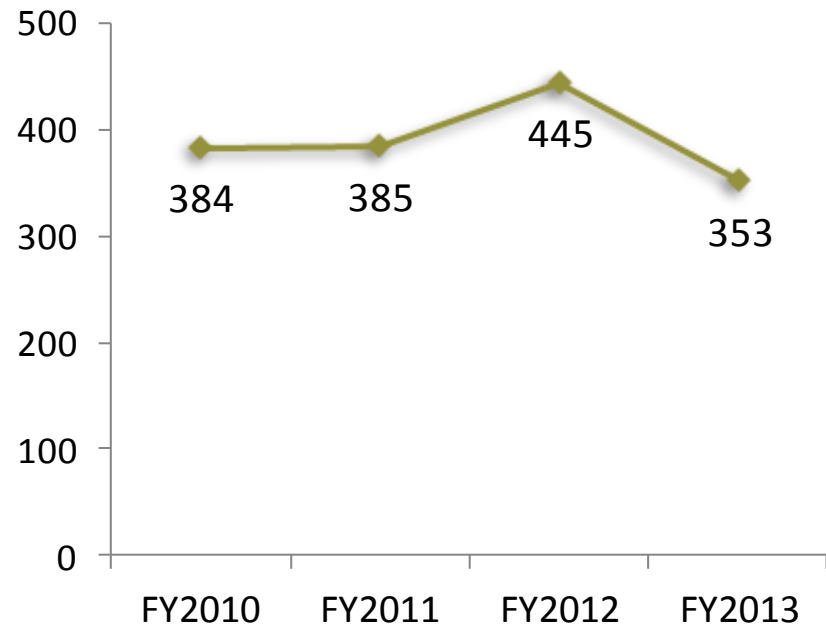
Tonnes ('000)

### Mining Output



RMB

### Average Selling Price / Tonne



➤ **Significant increase in mining output:**

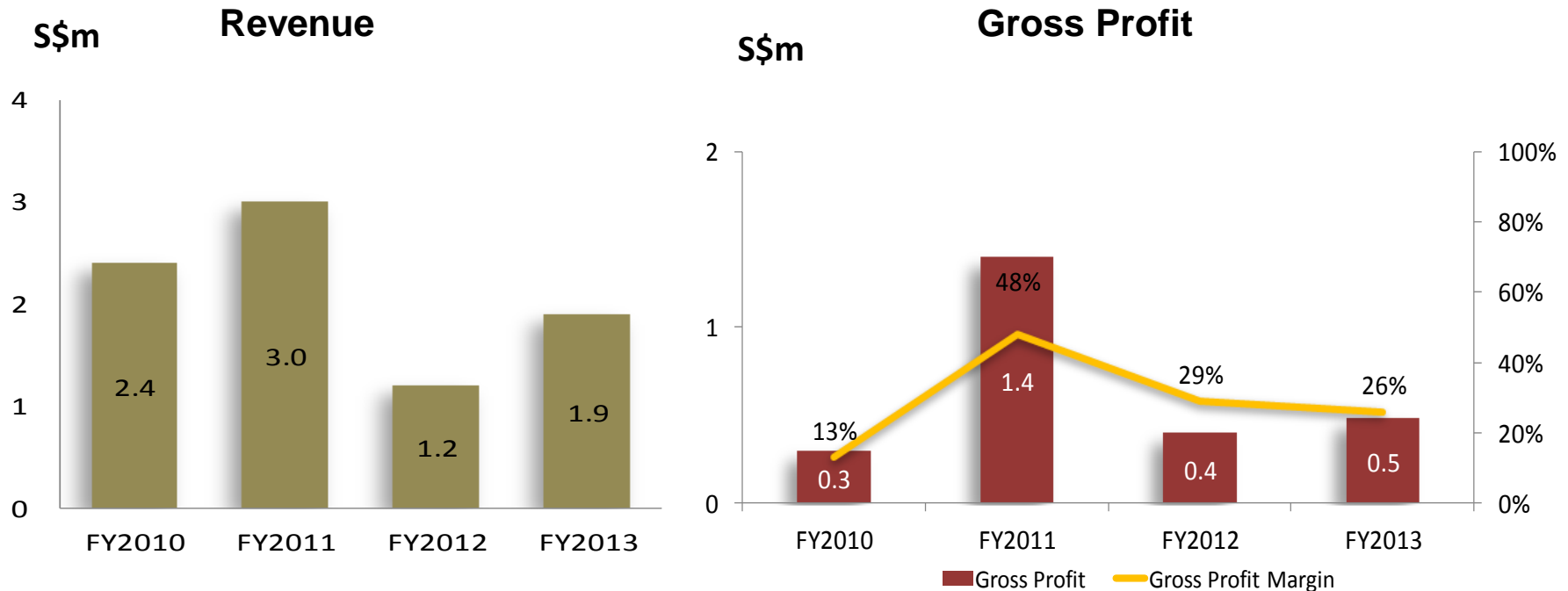
- Mining output exceeded budget production despite two and a half months of weather disruption

➤ **Lower average selling price in FY2013:**

- Group's strategy to sell phosphate rocks of lower quality while keeping the higher quality phosphate rocks for its own production
- Market price of phosphate rocks decreased in FY2013



## Downstream Segment – Revenue & Gross Profit



- **Increase in revenue compared to FY2012**
  - Higher sales of STPP and sales of slag in FY2013(a by-product of  $P_4$  production)
  - Commercial production of  $P_4$  will add to revenue in 2014 ( $P_4$  and its by-products)
- **FY2013: Gross profit ↑ 25%; Gross profit margin ↓ 3 pp**
  - Gross profit margin for downstream segment reduced marginally from 29% in FY2012 to 26% in FY2013 mainly due to reduction in selling prices for STPP. Reduction in GP margin was partially offset by contribution from sale of slag.





## Balance Sheet

S\$m	As at 31 Dec 2013	As at 31 Dec 2012
<b>ASSETS</b>		
Current Assets	34.8	10.4
Non-Current Assets	38.9	33.2
<b>Total Assets</b>	<b>73.7</b>	<b>43.6</b>
<b>LIABILITIES</b>		
Current Liabilities	18.2	12.3
Non-Current Liabilities	4.3	2.7
<b>Total Liabilities</b>	<b>22.5</b>	<b>15.0</b>
<b>EQUITY</b>		
Share Capital	56.5	32.5
Retained Earnings	(5.4)	(3.9)
<b>Total Equity</b>	<b>51.2</b>	<b>28.6</b>



# Outlook

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## Outlook - Upstream



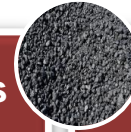
### Mining Activities

- Obtained mining safety permit for Mine 2 (Shi Sun Xi mine), the bigger mine; commercial mining expected to commence this year
- Additional adits expected to come onstream in 2014



### Conversion of Exploration Rights to Mining Rights

- Our application for the increase in the exploration area for Mine 1 (Cheng Qiang Yan mine) from 0.55 km<sup>2</sup> to 1.64 km<sup>2</sup> has been approved
- Awaiting final approval - conversion from exploration rights to mining rights
- Potential gains:
  - access to a larger mining area
  - more deposits within the enlarged area



### Prices of Phosphate Rocks

- Higher average selling prices were achieved for rocks sold in Jan and Feb 2014



Higher phosphate rock output expected



Greater flexibility in managing the sales of rock and the production of downstream phosphate-based chemical products



## Outlook - Downstream



### Production

- Commercial production of  $P_4$  expected to commence in 2Q2014
- Expected to have positive impact on the Group's performance in FY2014



### Sales

- Completed registration to REACH for the relevant licences to export our downstream chemicals to the countries in the European Union



Thank you

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