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FOR IMMEDIATE RELEASE

AsiaPhos continues its growth momentum in 3Q2015

- ***Gross profit margin increased to 18%, from 16% previously, on the back of a reduction in mining levy and lower production costs***
- ***Excluding one-off non-cash accounting expense of $2.4 million, operations continued to record higher revenues, higher profits and increased cash flows***

Summary of Financial Results For the Period Ended 30 September:

S$million	3Q2015	3Q2014	+/(-) %
Revenue	9.4	6.3	48
- Upstream	1.8	1.9	(8)
- Downstream	7.6	4.4	72
Gross Profit	1.7	1.0	68
Other Expense	(2.4)	-	-
Profit/(loss) before tax	(2.3)	(0.4)	-
Profit/(loss) after tax	(2.5)	(0.4)	-

SINGAPORE – 9 November 2015 – 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 higher revenue, gross profit and operating cash flows for the quarter ended 30 September 2015 ("3Q2015").

However, the bottom line was affected by the recognition of a non-recurring accounting charge of $2.4 million, which was in compliance with *FRS103 Business Combinations*, upon completion of the acquisition of LY Resources Pte Ltd ("LYR"). With the acquisition of LYR, the Group had acquired the economic benefits of the profit sharing arrangement from its previous co-operation partner. As a result, a portion of the purchase consideration for LYR was deemed to be incurred for the settlement of the pre-existing arrangement and written off as a non-cash expense to the income statement.

Operationally, revenue rose 48% year-on-year ("y-o-y") to \$9.4 million, from \$6.3 million previously. The Downstream segment drove the increase with revenue growing 72% y-o-y to \$7.6 million. This was due mainly to an increase in the sale of P_4 and its by-products with volume of P_4 sold almost doubling to 2,840 tonnes in 3Q2015, from 1,452 tonnes in the same period last year ("3Q2014"). Sale of P_4 and its by-products accounts for 94% of Downstream revenue.

Revenue for the Upstream segment decreased 8% y-o-y to \$1.8 million, due to a 3,800 tonne reduction in quantity of rocks sold to 23,900 tonnes in 3Q2015. Average selling price was lower compared to 3Q2014, although it has remained fairly constant since 2Q2015. The lower quantity of rocks sold was due to early arrival of the rainy season, causing mining activities to cease from late June 2015 to late September 2015. Mining has since resumed.

The Group achieved a 68% growth in gross profit to \$1.7 million, against \$1 million in 3Q2014. Overall gross profit margin improved to 18% in 3Q2015, from 16% in 3Q2014, on the back of improvements in both the Downstream and Upstream segments. The Upstream segment benefitted from lower production costs driven by the reduction in mining levy from RMB30 per tonne to RMB8 per tonne, as well as the Group not having to pay profit sharing costs to its previous co-operation partner, as a result of the completion of the acquisition of LYR. The Downstream segment saw an improvement in gross profit margin to 14%, from 9% previously, due to lower production costs for P_4.

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

> "We had disclosed that the Group would have to recognise this accounting charge in our press release dated 4 August 2015 when we announced our 2Q2015 results. If this accounting charge is excluded, the Group's operations recorded higher revenue, higher gross margins, and higher profits, while enjoying an increase in cash flows generated from operations. We are indeed encouraged by the continued healthy performance of our business after the turnaround in the previous quarter, and we view this as the

result of the various strategic moves and investments we have made in the last few years."

Notably, the Group reported a net increase in cash and cash equivalents of $4.0 million in 3Q2015 compared to a net decrease of $0.7 million in 3Q2014, largely driven by positive net cash flows of $5.7 million from operating activities.

Business Outlook

Upstream Segment

With mining activities resuming in late September 2015, management expects the mining output for FY2015 to exceed the output achieved in FY2014 and the expansion of the Group's mining output to continue in FY2016. This expected higher output, as well as the reduction in production cost of rock due to (i) decline in mining levy from RMB30 per tonne to RMB8 per tonne and (ii) cessation of payments to the previous co-operation partner after the completion of the acquisition of LYR, will positively impact the Group's operating cash flows in the future.

Downstream Segment

The Group has successfully managed to bring down the production cost of P_4. However, the price outlook for P_4 for the rest of the year is expected to remain challenging and management will continue to monitor the situation and take steps to ensure the economic viability and profitability of P_4 production.

With the successful stabilisation of the P_4 operation, management has turned its focus on developing the export market for the other downstream phosphate chemicals and this should also contribute positively to the Group's bottomline.

LYR Acquisition

The Group had announced on 4 August 2015 that it has completed the acquisition of LYR and that LYR is now a wholly-owned subsidiary of the Group. Moving forward, the Group expects to continue benefitting from the improved cash flows in the absence of the profit-sharing arrangement with its previous co-operation partner.

The Group will also seek opportunities from its ownership and/ or control over Fengtai (and correspondingly, the Fengtai License) as it will be able to capitalise on the Fengtai License to expand the effective land area where the Group has mining and exploration rights. This will allow the Group to benefit from greater economies of scale and operational synergies, which has the potential to improve the Group's performance over time.

The Group is currently building up its cash and also in negotiation with our bankers for a line of credit to enable it to meet its obligation to redeem the redeemable preference shares that were issued to finance the acquisition of LYR.

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About AsiaPhos Limited

AsiaPhos Limited was listed on the Catalist Board of 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 a management team with more than 14 years of relevant experience in their respective fields, the Group currently owns exploration and mining rights to two mines and has started downstream processing activities in its new Gongxing site.

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This Press Release should be read in conjunction with the unaudited financial statements announcement of AsiaPhos Limited for the third quarter ended 30 September 2015.

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