

- (1) **MEMORANDUM OF UNDERSTANDING WITH MIANYANG AOSTAR PHOSPHORUS CHEMICAL INDUSTRY CO., LTD. – ENTRY INTO LETTER OF INTENT IN RELATION TO THE SALE OF PHOSPHATE ROCKS**
- (2) **ENTRY INTO FRAMEWORK AGREEMENT WITH SICHUAN LOMON PHOSPHORUS CHEMICAL CO., LTD IN RELATION TO THE SALE AND PURCHASE OF PHOSPHATE ROCKS**

(1) **MEMORANDUM OF UNDERSTANDING WITH MIANYANG AOSTAR PHOSPHORUS CHEMICAL INDUSTRY CO., LTD. – ENTRY INTO LETTER OF INTENT IN RELATION TO THE SALE OF PHOSPHATE ROCKS**

The board of directors (the “**Board**”) of AsiaPhos Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (i) the Company’s announcement dated 4 November 2016 entitled “Entry into Memorandum of Understanding with Mianyang Aostar Phosphorus Chemical Industry Co., Ltd.”; and
- (ii) Paragraph 9(c) of Part IV (Key Information) entitled “Key Developments in FY2016” on pages 34 to 36 of the offer information statement dated 1 March 2017 issued by the Company in respect of the renounceable non-underwritten rights issue of rights shares with warrants,

in relation to the entry into of a non-binding memorandum of understanding (the “**Mianyang Aostar MOU**”) by Sichuan Mianzhu Norwest Phosphate Chemical Limited (“**Mianzhu Norwest**”), a wholly-owned subsidiary of the Company, with Mianyang Aostar Phosphorus Chemical Industry Co., Ltd. (绵阳启明星磷化工有限公司) (“**Mianyang Aostar**”) to collaborate on certain initiatives in relation to the Group’s operations.

By way of update, the Board wishes to announce that, further to the Mianyang Aostar MOU, Mianzhu Norwest has, on 13 March 2017, entered into a letter of intent with Mianyang Aostar (the “**Mianyang Aostar LOI**”) in relation to the sale of phosphate rocks by Mianzhu Norwest to Mianyang Aostar for the current financial year ending 31 December 2017 (“**FY2017**”).

Under the terms of the Mianyang Aostar LOI, an aggregate of 150,000 tonnes of phosphate rocks will be supplied from Mianzhu Norwest to Mianyang Aostar in FY2017, in accordance with the following schedule:

For the quarter ending	Quantity of phosphate rocks (tonnes)
31 March 2017	20,000
30 June 2017	45,000
30 September 2017	50,000
31 December 2017	35,000
Total	150,000



Pursuant to the terms of the Mianyang Aostar LOI, the sale of phosphate rocks by Mianzhu Norwest to Mianyang Aostar will be subject to, *inter alia*, the Group's internal requirements for phosphate rocks and the entering into of binding sale and purchase contracts, of which the quantity to be sold under each sale and purchase contract will be for 5,000 tonnes of phosphate rocks. The price for each batch of phosphate rocks will also be based on the then prevailing specifications and market price of the phosphate rocks.

(2) **FRAMEWORK AGREEMENT WITH SICHUAN LOMON PHOSPHORUS CHEMICAL CO., LTD IN RELATION TO THE SALE AND PURCHASE OF PHOSPHATE ROCKS**

Further, Mianzhu Norwest has, also as part of its ordinary course of business, entered into a separate strategic cooperation framework agreement ("**Lomon Chemicals Framework Agreement**") on 13 March 2017 with Sichuan Lomon Phosphorus Chemical Co., Ltd (四川龙磷化工有限公司) ("**Lomon Chemicals**"), in relation to:

- (i) the sale by Lomon Chemicals of 120,000 tonnes of phosphate rocks with P₂O₅ content of 25.0% and higher to Mianzhu Norwest at an indicative price of Renminbi 270 per tonne; and
- (ii) the sale by Mianzhu Norwest of 120,000 tonnes of phosphate rocks with P₂O₅ content of 30.0% and higher to Lomon Chemicals at an indicative price of Renminbi 355 per tonne,

from 1 January 2017 until 31 December 2017.

Lomon Chemicals is a fertiliser producer based in Sichuan Province, the People's Republic of China, and a longstanding customer for Mianzhu Norwest's phosphate rocks.

The above-mentioned sale and purchase of phosphate rocks between Mianzhu Norwest and Lomon Chemicals will be subject to, *inter alia*, the entering into of binding sale and purchase contracts. The quantity and final price for each batch of phosphate rocks will also be subject to the sale and purchase agreements and based on market price of the phosphate rocks.

The sale and purchase of the phosphate rocks under the Mianyang Aostar LOI and the Lomon Chemicals Framework Agreement, if completed, is expected to contribute positively to the Group's performance and cash flows for FY2017.

None of the directors or the controlling shareholders of the Company has any direct or indirect interest in the Mianyang Aostar LOI and the Lomon Chemicals Framework Agreement, save through their shareholding interests in the Company.

BY ORDER OF THE BOARD

Simon Ong Eng Hock
 Executive Director
 AsiaPhos Limited
 14 March 2017



*This announcement 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 Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. This 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.

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