

FOR IMMEDIATE RELEASE

AsiaPhos' revenue jumps 84% to \$2.4 million in 1Q2014

- Mining operation ramped up with average daily mining output in 1Q2014 surging 118% compared to 1Q2013
- Commercial production and sale of P₄ expected to start in 2Q2014 with expected contribution to the Group's financial performance for the full year

Summary of Financial Results For the Period Ended 31 March

\$'000	1Q2014	1Q2013	+ / (-) %
Revenue	2,416	1,310	84
- Upstream	2,045	969	111
- Downstream	371	341	9
Gross Profit	636	445	43
Profit/(loss) after tax	(415)	(749)	(45)

SINGAPORE – 9 May 2014 – 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, today reported a 84% increase in revenue to \$2.4 million for the three months ended 31 March 2014 (“1Q2014”) on the back of higher sales of phosphate rocks.

Correspondingly, the Group's gross profit grew 43% to \$0.6 million, although gross profit margin declined to 26%, from 34% previously, mainly due to lower average selling price of phosphate rocks. The lower selling price was the result of a spill over effect from the lower market prices in 4Q2013.

As the Group continues to incur operational costs to scale up its operation, it incurred a net loss of \$0.4 million for 1Q2014.

Said Dr Ong Hian Eng (王显荣博士), Chief Executive Officer of AsiaPhos Limited,

“Despite the late start to the mining season in 1Q2014, we managed to mine a total of 17,600 tonnes of phosphate rocks in 13 days of mining, compared to 16,600 tonnes in 27 mining days in the same period last year. As a result, our average daily mining output in 1Q2014 have more than doubled to 1,350 tonnes, compared to 1Q2013. This is a very encouraging development for our upstream business. Our downstream

segment is also making good progress, with commercial production of P₄ expected to commence in 2Q2014. This brings us a step closer towards achieving a vertically-integrated business structure.”

Business Review by Segments

Upstream segment

The upstream segment, which is the sale of phosphate rocks, continues to be the key contributor to the topline, accounting for 85% of total revenue. Its revenue surged 111% to \$2.0 million as the Group sold more phosphate rocks in 1Q2014 – 27,700 tonnes, 127% higher than the 12,200 tonnes sold in 1Q2013. However, the higher sales volume was offset by lower average selling price in 1Q2014, a result of lower market price. Consequently, gross profit margin fell 12 percentage points to 27% in 1Q2014.

Downstream segment

Revenue from the downstream segment which consists of sales of STPP, SHMP and ferrophosphate, grew 9% to \$0.4 million in 1Q2014.

Although the quantity sold for STPP and SHMP was lower in 1Q2014, average selling prices of both these products were higher.

Business Outlook and Prospects

The Group intends to build on the growth momentum of its mining output by increasing the number of production wells and purchasing equipment to further ramp up its upstream operations.

As announced on 22 April 2014 and 30 April 2014, the Group has signed an agreement that will allow it to gain access to an exploration area that is approximately 4.8 times the size of the existing area covered by the Group’s mining licence, upon certain conditions being satisfied. The Group has engaged geologists to conduct geological survey to obtain the phosphate resource estimates for the exploration area. Once the relevant approvals required are received, the Group intends to explore for phosphate in this area. Having its existing production facilities in close proximity to the area may allow it to achieve economies of scale and operational synergies.

The Group has also commenced the process of acquiring the economic benefits of certain existing cooperation agreements from its cooperation partner, Mianzhu Dashan Mining Co., Ltd, and upon the satisfactory completion of due diligence, the Group will cease the payment of the cooperation partner’s share of profit which is currently recognised as cost of production. Such costs amounted to about RMB3.6 million for FY2013.

Further to the announcement on 10 April 2014, the Group is still awaiting the approval of its application to expand its Mine 1 exploration area to approximately 1.64 square kilometres, with a plan to convert the

exploration right to a mining right. The Group has also commenced preparing for its application to renew its exploration licence for Mine 2 exploration area which is valid till June 2014.

On the downstream business, commercial production of P₄ is expected to commence in 2Q2014. To this end, the Group will be building up its phosphate rock inventory in preparation for the P₄ production, in particular for 2Q2014, as a portion of the phosphate rocks mined will be reserved for commercial production instead of being sold.

###

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 10 years of relevant experience in their respective fields, the Group currently owns exploration and mining rights to its two mines and has recently completed the construction of a P₄ plant in its new Gongxing site. As part of its future plans, the Group intends to construct more processing facilities.

Issued for and on behalf of AsiaPhos Limited by

August Consulting

Tel: +65 6733 8873

Karen Ting, karenting@august.com.sg

Hu Yuanwen, yuanwen@august.com.sg

Jeremy Sing, jeremysing@august.com.sg

This Press Release should be read in conjunction with the unaudited financial statements announcement of AsiaPhos Limited for the first quarter ended 31 March 2014.

This Press Release 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 SGX-ST. The Sponsor has not independently verified the contents of this Press Release.

This Press Release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Press Release, including the correctness of any of the statements or opinions made or reports contained in this Press Release.

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 6539 1177.