

## ADJUSTMENTS TO UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Board of Directors (the “**Board**”) of AsiaPhos Limited (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to inform shareholders that subsequent to the Group’s announcement of its unaudited financial statements for the financial year ended 31 December 2014 (“FY2014”) released on 16 February 2015 (the “**Announcement**”), an adjustment to recognise a derivative asset and the corresponding fair value gain of the same amount (the “**Adjustment**”) was made to the Company’s Statement of Financial Position as at 31 December 2014, resulting in the following:

| Company                                    | Notes   | As at 31 December 2014 |                      |  |
|--|---------|------------------------|----------------------|--|
|  |         | Announcement<br>\$’000 | Adjustment<br>\$’000 | Audited Financial<br>Statement<br>\$’000 |
| Derivative asset                           | (1)     | -                      | 13,326               | 13,326                                   |
| Retained earnings/<br>(accumulated losses) | (1),(2) | (4,846)                | 13,326               | 8,480                                    |
| Net tangible assets                        | (1),(3) | 51,695                 | 13,326               | 65,021                                   |

**Notes:**

- (1) Recognition of the fair value of the Options (see below for definition) as at 31 December 2014 as a derivative asset. The corresponding fair value gain is recognised in the profit or loss statement.
- (2) As a result of recognising the fair value gain, the Company’s total comprehensive income for the fourth quarter ended 31 December 2014 should have been \$13,671,000, instead of \$345,000 as stated in the Announcement.
- (3) As a result of the Adjustment, the Company’s net tangible assets per share as at 31 December 2014 should have been 8.13 cents, instead of 6.46 cents as stated in the Announcement.

As announced on 22 April 2014, the Company entered into a conditional put and call option agreement (the “Options Agreement”) with Mr Luo Yong, pursuant to which (i) the Company has been granted a call option to require Mr Luo Yong to sell, and procure the sale of, all the shares of LY Resources Pte Ltd (“LYR”), and (ii) Mr Luo Yong has been granted a put option to require the Company to purchase all (but not some only) of the LYR shares (collectively, the “Options”). Accordingly, the Company is required to recognise the fair value of the Options as at 31 December 2014.

In the Announcement, the Company's Statement of Financial Position and Statement of Changes in Equity had not reflected the effects of recognising the Adjustment because the Adjustment was erroneously recognised by a subsidiary. As such, on a consolidated basis, the Group had already recognised the effects of the Adjustment. Accordingly, no changes are required to be made to the Group's Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity as reported in the Announcement.

BY ORDER OF THE BOARD

Simon Ong Eng Hock  
Executive Director  
AsiaPhos Limited

13 April 2015

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*This announcement was prepared by the Company and the contents were 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 (the "**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.*

*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.*