
INDUSTRIAL ACCIDENT AT P₄ PRODUCTION PLANT

The board of directors (the “**Board**”) of AsiaPhos Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to inform shareholders of the Company (the “**Shareholders**”) that on the afternoon of 24 October 2016, an industrial accident (“**Accident**”) had occurred during a routine discharge of slag at the Group’s P₄ production plant (the “**Plant**”) located at Xiangliu Village, Gongxing Town, Mianzhu City, Sichuan Province, the PRC, resulting in an explosion within the Plant. Production operations of P₄ at the Plant had ceased immediately as a precautionary measure, pending investigations and safety checks to be conducted by the Group together with the PRC authorities.

Based on the Group’s preliminary assessment, the Accident had damaged mainly the external buildings of the Plant and certain equipment; however, the 2 main P₄ furnaces remain intact. None of the Group’s staff or workers were injured in the Accident.

The Group is currently working with the relevant PRC authorities to determine the exact cause of the Accident, the rectification works required for the Plant and the expected time required for resumption of P₄ production. The Company is also in the process of assessing any potential loss to the Group caused by the Accident and expects any damage to the plant and equipment to be covered by insurance.

To mitigate the financial impact to the Group from the ceasing of P₄ production, the Group will be making arrangements to sell additional phosphate rocks that were originally reserved for P₄ production.

The Company will keep Shareholders updated on this matter, and make further announcements as and when there are material developments in relation thereto.

Shareholders are advised to exercise caution when trading their shares. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Simon Ong Eng Hock
Executive Director
AsiaPhos Limited

26 October 2016



*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 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 person for the Sponsor is Mr Lim Hoon Khat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.

