

FOR IMMEDIATE RELEASE

AsiaPhos reports net attributable profit of S\$0.4 million in 2Q2016

- *Operating profit before working capital changes improves to \$2.0 million*

Summary of Financial Results for the second quarter ended 30 June:

\$'000	2Q2016	2Q2015	+ / (-) %
Revenue			
- Upstream Segment	3,572	6,548	(45)
- Downstream Segment	6,034	5,460	11
	9,606	12,008	(20)
Gross Profit	1,895	2,009	(6)
Net Profit attributable to Owners of the Company	366	481	(24)

SINGAPORE – 5 August 2016 – AsiaPhos Limited (“AsiaPhos” or the “Company”, 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 its unaudited financial results for the second quarter ended 30 June 2016 (“2Q2016”).

In the quarter under review, the Group’s net attributable profit was S\$0.4 million, compared to S\$0.5 million in the corresponding period last year (“2Q2015”). Excluding non-cash charges of mainly depreciation and amortisation, the Group’s operating profit before working capital changes improved from S\$1.2 million in 2Q2015 to S\$2.0 million in 2Q2016.

Revenue for the Group was S\$9.6 million in 2Q2016, against S\$12.0 million in 2Q2015. The lower revenue was mainly due to the upstream operations which saw revenue decreasing from S\$6.5 million in 2Q2015 to S\$3.6 million in 2Q2016, as the Group retained the higher quality phosphate rocks for its in-house P₄ production, and sold only the lower quality rocks

which fetched lower average selling prices. In addition, the quantity of rocks sold in 2Q2016 was 57,600 tonnes, compared to 89,100 tonnes in 2Q2015.

On the other hand, revenue from downstream operations rose from S\$5.5 million in 2Q2015 to S\$6.0 million in 2Q2016, driven by the higher sales of P₄ from 1,900 tonnes in 2Q2015 to 2,300 tonnes in 2Q2016.

In its continual efforts to improve production efficiency, by securing cheaper electricity costs and carrying out improvements to one of its furnaces, the Group had successfully reduced the production cost of P₄ in 2Q2016. This led to an overall improvement in the Group's gross profit margin to 20% in 2Q2016, from 17% in 2Q2015.

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

“The mining season had resumed in March this year, and our mining output run-rate is showing a promising growth trend. We were able to achieve an average daily output of about 1,800 tonnes in 2Q2016, which far exceeds the average of 1,400 tonnes in FY2015. This is the direct result of our previous investments in improving our mining infrastructure, and we expect to increase our rock production in FY2016 which should contribute positively to the Group's cash flows and profits.”

Outlook

For the remainder of the current financial year ending 31 December 2016 (“FY2016”), phosphate rock prices are expected to soften moderately. Meanwhile, in July 2016, the Sichuan Provincial People's Government (四川省人民政府) announced that, with effect from 1 July 2016, the policy to collect a price adjustment levy and resource compensation fee amounting to RMB14 per tonne of phosphate rock will be abolished. At the same time, the resource tax will be computed based on 8% of the selling price of the phosphate rocks, instead of a fixed RMB15 per tonne of phosphate rock. Based on the current available information, the Group expects that the above changes will lead to a reduction in production cost of the phosphate rocks in the second half of FY2016.

The price outlook for P₄ is expected to remain challenging. Though the Group anticipates production cost for P₄ to be lower in FY2016 than the previous year, it will continue to monitor the situation and take steps to ensure the economic production and profitability of P₄. The Group will continue to diversify revenue contribution from the downstream business segment by exploring the export market for P₄ and other downstream phosphate-based chemical products.

Corporate Updates

In July 2016, the Group received the renewed exploration rights for the Fengtai Mine and Mine 2, with the renewed rights being valid till December 2017 and June 2018 respectively.

Earlier this year, the Group had submitted an application to the Sichuan Land Department (“**Authority**”) to convert the Mine 1 exploration license into a mining license so that the approved annual production scale for Mine 1 can be increased from 50,000 tonnes to potentially 400,000 tonnes. The application is currently pending approval by the Authority.

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About AsiaPhos Limited

*AsiaPhos Limited was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (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 comprises the mining of phosphate rocks from its existing mines and the production of phosphate-based chemical products. Led by an experienced management team, the Group currently owns two mining rights and three exploration rights, and has started downstream processing activities in its Gongxing Industrial Park (Sichuan) site.*

Issued for and on behalf of AsiaPhos Limited by

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This press release should be read in conjunction with the Company's announcement dated 5 August 2016 in relation to the unaudited financial statements for the second quarter ended 30 June 2016.

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, Equity Capital Markets, and 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.