

FOR IMMEDIATE RELEASE

AsiaPhos' revenue almost tripled to \$2.7m in 4Q2013

- Full year revenue boosted by 73% to \$8.5m on the back of higher sales from both upstream and downstream segments
- Gross profit rose 21% to \$2.6 million in FY2013
- Commercial mining at the Shi Sun Xi mine and commercial production of P₄ expected to start in 2Q2014
- Obtained license to export to countries in European Union

Summary of Financial Results For the Period Ended 31 December:

\$'000	4Q2013	4Q2012	+/(-) %	FY2013	FY2012	+/(-) %
Revenue	2,700	948	185	8,458	4,897	73
- Upstream	1,918	779	146	6,535	3,700	77
- Downstream	782	169	363	1,923	1,197	61
Gross Profit	734	493	49	2,550	2,101	21
Profit/(loss) before tax	238	(796)	N.M	(2,249)	1,509	N.M
Profit/(loss) after tax	(1,180)	(951)	24	(3,667)	1,225	N.M

"N.M" denotes not meaningful.

SINGAPORE – 21 February 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 announced a 73% rise in its revenue to \$8.5 million for the financial year ended 31 December 2013 ("FY2013"), lifted by its 4Q2013 revenue which surged 185% to \$2.7 million.

The improved topline in FY2013 was boosted by both upstream and downstream segments, which saw revenue grew 77% and 61% respectively. However, as the Group continued to ramp up its operation for future expansion, related operational costs also increased. In addition, there were non-recurring listing expenses and costs incurred as part of the Group's contribution to improve the environment in Mianzhu City, which resulted in total costs rising by 59% to \$6.6 million. There was also a charge of deferred tax of \$1.4 million. These impacted the Group's profitability, leading to a net loss of \$3.7 million for FY2013.

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

“As we are in this initial stage of rebuilding the business, the topline growth is a strong indication of the success of our rebuilding efforts and the potential of the business. As economies of scale sets in with business expansion, we expect the Group to perform better.

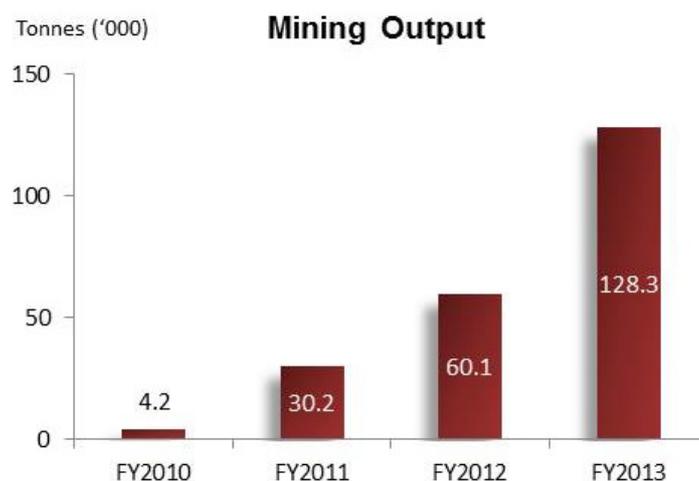
“We made significant progress in 4Q2013 as mining output increased which led to the increase in quantity of phosphate rocks sold. We also made progress in developing our downstream segment. Going forward, in line with our strategy to grow in a sustainable and responsible manner, we have invested capital to increase the number of producing wells, acquire equipment to increase our mining output and improve safety measures. These measures were instrumental in laying the foundations for our vertically-integrated operations and enhancing the Group’s future value, and we expect benefits to gradually kick in after FY2013.”

Business Review by Segments

Upstream segment

Revenue from the upstream segment, which is the sale of phosphate rocks, surged 146% to \$1.9 million as the quantity of phosphate rocks sold in 4Q2013 – 26,600 tonnes - was 180% higher than the 9,500 tonnes sold in 4Q2012. However, higher sales volume was offset by lower average selling price, which reflected the decline in the general market price, as well as the Group’s strategy to sell the lower quality phosphate rocks while keeping the good quality rocks for its downstream segment. As a result, gross profit margin fell from 57% in 4Q2012 to 29% in 4Q2013.

The Group resumed mining activities at the Cheng Qiang Yan mine in December 2013, and mined 35,300 tonnes of phosphate rocks in 4Q2013. This boosted the mining output for FY2013 to about 128,300 tonnes, more than double the quantity mined in FY2012 (60,100 tonnes).



Downstream segment

Revenue from the downstream segment, which accounted for 29% of the total revenue, rose to S\$0.8 million in 4Q2013 from \$0.17 million previously. Contribution came from the sales of downstream phosphate-based chemicals such as STPP, SHMP and slag.

The Group has completed the trial production of P_4 . As at the end of FY2013, the Group had an inventory of over 2,500 tonnes of P_4 , which was produced during the trial production period. While the sale of the P_4 from the trial production will not affect revenue and profitability, the estimated cash proceeds of about \$6.6 million that can be realised from its sale will improve the Group's working capital.

Business Outlook and Prospects

Upstream segment

As at the end of FY2013, the Group had over 39,000 tonnes of phosphate rocks in the inventory that it may sell or use for its P_4 production depending on the prevailing market prices.

The Group achieved a higher average selling price for the rocks sold in January and February 2014 and barring unforeseen circumstances, it expects the upward trend to continue.

In January 2014, the Group obtained mining safety permit for the Shi Sun Xi mine and commercial mining is expected to commence in 2Q2014.

In addition, having invested capital to increase the number of adits and acquire equipment, barring unforeseen circumstances, the Group plans to increase its mining output in FY2014, which will contribute positively to the Group's performance.

Downstream segment

The Group is in the midst of obtaining certification and approvals from the relevant authorities to commence the sale of P₄. Commercial production of P₄ is expected to commence in 2Q2014 and the sale of P₄ produced subsequently will contribute positively to the Group's performance.

On the sales front, the Group has obtained the permit from REACH (the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals, a regulation body of the European Union ("EU")) to export to countries in the EU and we will actively market to EU customers. However, the recent strengthening of the Renminbi has affected the price competitiveness of the Group's exports. As the Group may not be able to pass on the higher price to customers, the export sales, which are predominantly denominated in US dollars, might see some margin erosion.

"With the absence of non-recurring costs such as professional fees for the IPO that we recognised in FY2013, and the successful IPO in 3Q2013, the Group is in a better position financially and operationally to capitalise on opportunities that may arise in FY2014." said Dr Ong.

About AsiaPhos Limited

AsiaPhos Limited is the first mineral resources company listed on the Singapore Exchange Securities Trading Limited ("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. It was listed on Catalist of SGX-ST on 7 October 2013. To make full use of this valuable and non-renewable natural resource, AsiaPhos is adopting a vertically-integrated strategy which will comprise mining of its phosphate rocks 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.

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This Press Release should be read in conjunction with the unaudited financial statements announcement of AsiaPhos Limited for the fourth quarter and financial year ended 31 December 2013.

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