

FOR IMMEDIATE RELEASE

AsiaPhos' 3Q2014 revenue up 76%

- Commercial production and sale of P₄ was significant contributor to revenue growth
- Financial Performance for 9 months of 2014 continues to improve as Group pares down losses

\$'000	3 months ended 30 Sept 2014	3 months ended 30 Sept 2013	+ / (-) %	9 months ended 30 Sept 2014	9 months ended 30 Sept 2013	+ / (-) %
Revenue	6,438	3,604	76	12,697	5,758	121
Gross Profit	1,017	1,314	(23)	2,099	1,816	16
(Loss) after tax	(431)	118	N.M.	(1,263)	(2,487)	(49)

SINGAPORE – 10 November 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, reported a 76% increase year-on-year (“**yoY**”) in total revenue to S\$6.4 million for the third quarter ended 30 September 2014 (“**3Q2014**”).

The sale of phosphate-based chemical, P₄, and its by-product, slag, contributed largely to the revenue increase in 3Q2014. In the quarter under review, 1,452 tonnes of P₄ and 32,304 tonnes of slag were sold while there were no sales of P₄ and only 7,276 tonnes of slag were sold in 3Q2013.

However due to higher general and administrative expenses which increased 25% to S\$1.5 million, and higher financing costs of S\$316,000, the Group posted a loss of \$431,000 for the quarter. The increase in general and administrative expenses was due to higher manpower costs and compliance costs incurred as a result of its listed status. The increase in finance costs

was due to interest expense incurred on the redeemable preference shares issued in 2Q2014 and on the interest-bearing bank loan, which were absent in the corresponding quarter last year.

For the first nine months of the year, AsiaPhos' revenue rose 121% to S\$12.7 million while net loss fell to S\$1.3 million, from S\$2.5 million in the nine months of 2013.

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

“As we have just commenced production of P₄, the topline growth is encouraging. At the same time, we are mindful of the current challenges in the market for P₄, putting downward pressure on prices. With our vertically-integrated business strategy, and our experience in the phosphate industry, we will continue to work to meet those challenges.”

Business Review

Downstream

In 3Q2014, the Group's downstream activities registered a revenue of S\$4.4 million, compared to \$427,000 in 3Q2013, due mainly to the sale of P₄ which was absent in 3Q2013. Downstream revenue now contributes 69% to the total Group revenue. In 3Q2014 the Group managed to reduce the production cost of P₄ to approximately RMB11,200 per tonne. However, the price of P₄ in Sichuan softened further, with the Group selling at an average price of RMB12,056 per tonne in 3Q2014 compared to RMB12,750 per tonne in 2Q2014. P₄ price is currently around RMB 12,100 per tonne.

Upstream

Revenue from the mining activities declined by 39% to S\$1.9 million as the Group used its phosphate rocks for the production of P₄ leading to less phosphate rocks being sold. Mining activity was stopped in early June 2014 due to the early start of the rainy season but has since resumed in late September.

Business Outlook and Prospects

As at 30 September 2014, the Group held approximately an inventory of 9,300 tonnes of phosphate rocks and approximately 2,300 tonnes of P₄. AsiaPhos will closely monitor the prices of phosphate rocks and P₄ and may sell the phosphate rocks mined in 4Q2014 to improve the bottomline while holding a minimal quantity required for P₄ production in FY2015.

In August 2014, the Group received the approval for extension of exploration permit for its Cheng Qian Yan mine from the Sichuan Land Department (四川省国土资源厅) for an increased exploration area of approximately 1.54 square kilometres, up from the previous exploration area of 0.55 square kilometres under the old licence.

Given the bigger area, the Group's geologists are working to update the resource estimate and the Group will provide an update as soon as the updated technical report is made available.

Meanwhile, the Group is awaiting official approval on the renewal of its exploration rights on its second mine, the Shi Sun Xi mine, covering an area of 1.28 square kilometres.

The Group had also signed an agreement in April this year to gain equity control of LY Resources Pte Ltd ("LYR"), which will allow it to gain access to an exploration area that is approximately 4.8 times the size of its existing mining area, as well as acquire the entire economic benefits of an existing co-operation arrangement presently accruing to its co-operation partner. A geological survey of the exploration area and the valuation of LYR is currently underway. The Board will exercise its call option to acquire the LYR shares once the independent valuers confirm that the valuation threshold of RMB250 million for LYR has been met. The Board will provide updates when there are material developments on this transaction.

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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 started downstream processing activities in its new Gongxing site.

Issued for and on behalf of AsiaPhos Limited by

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This Press Release should be read in conjunction with the unaudited financial statements announcement of AsiaPhos Limited for the third quarter ended 30 September 2014.

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