

FOR IMMEDIATE RELEASE

AsiaPhos continues on growth track with revenue up 51% in 4Q2015

- *Declare final dividend of 0.1 cent per ordinary share for FY2015*
- *Gross profit rose 23% while net profit declined due to a non-recurring accounting gain in 4Q2014 relating to the acquisition of LY Resources Pte Ltd*

Summary of Financial Results For the Period Ended 31 December:

S\$'000	4Q2015	4Q2014	+/(-) %	FY2015	FY2014	+/(-)%
Revenue	16,839	11,125	51	44,505	23,822	87
- Upstream	5,837	5,996	(3)	17,957	12,731	41
- Downstream	11,002	5,129	115	26,548	11,091	139
Gross Profit	3,190	2,585	23	8,487	4,684	81
Other income	4,863	20,834	(77)	6,378	21,781	(71)
Profit before tax	4,760	20,747	(77)	3,027	19,484	(84)
Net attributable profit	4,309	20,761	(79)	2,209	19,498	(89)

SINGAPORE – 15 February 2016 – 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 51% year-on-year (“y-o-y”) growth in revenue to S\$16.8 million for the quarter ended 31 December 2015 (“4Q2015”), driven by strong contribution from its downstream segment.

Downstream revenue in 4Q2015 more than doubled to S\$11.0 million, from S\$5.1 million in the same period last year (“4Q2014”), mainly from the sale of P₄ and its by-products. Revenue from P₄ and its by-products amounted to S\$10.8 million, or 99% of downstream revenue, in 4Q2015 on the back of 4,600 tonnes of P₄ sold. In 4Q2014, only 1,800 tonnes were sold which generated revenue of S\$5.1 million.

Despite higher quantity of phosphate rocks sold, upstream revenue decreased 3% y-o-y to S\$5.8 million, mainly due to the sale of lower grade rocks which fetched lower selling prices.

The Group had channeled the higher grade rocks for use in the production of P₄. The quantity of rocks sold in 4Q2015 rose 13% to 88,600 tonnes against 78,700 tonnes sold in 4Q2014.

With higher revenue, gross profit consequently increased 23% y-o-y to S\$3.2 million in the quarter under review. Gross profit margin, however, was lower at 19% from 23% previously, impacted by the lower gross profit margin in the upstream segment due to the lower average selling prices. This was partially offset by the improvement in the gross profit margin of the downstream segment which rose to 14% from 8% in 4Q2014 as lower production costs for P₄ was achieved.

AsiaPhos posted net profit of S\$4.3 million in 4Q2015, compared to a net profit of S\$20.8 million in 4Q2014. It closed the financial year ended 31 December 2015 (“**FY2015**”) with a net profit of S\$2.2 million and revenue of S\$44.5 million. In the financial year ended 31 December 2014 (“**FY2014**”), the Group posted a net profit of S\$19.5 million on revenue of S\$23.8 million. Fair value gains in FY2014 was \$20.2 million as compared to \$4.9 million in FY2015. In FY2015 the fair value gains were due to the reassessment of the purchase consideration of LY Resources Pte Ltd (“**LYR**”). Excluding the above-mentioned fair value gains and accounting charge for termination of pre-existing contract of \$2.4 million, the Group’s net profit after taxation for FY2015 was \$0.6 million compared to a loss of \$0.7 million in FY2014.

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

“It is encouraging to have achieved growth in both revenue and gross profit, especially in our downstream operations. Compared to last year, our P₄ production has expanded and stabilised and we have made gains on cost-efficiency. Operating cash flow has also improved significantly. Looking ahead, our planned increase in output of phosphate rocks, benefits from the LYR acquisition, and reduced mining surcharge, will continue to underpin the growth of our business.”

The Group's net assets grew from S\$72.0 million as at 31 December 2014 to S\$96.5 million as at 31 December 2015. This was largely due to the consolidation of LYR following its acquisition which raised the amount of mining properties from S\$0.4 million to S\$72.3 million, partially offset by reductions in derivative asset, convertible loan note and prepayments, which served as part of the purchase consideration for LYR.

The Group's net asset value per share as at 31 December 2015 was 10.71 cents, up from 9 cents a year before.

Business Outlook

Upstream Segment

The Group turned up its mining momentum again after the end of the rainy season in the third quarter, bringing total production in FY2015 to 274,100 tonnes, a 21% increase from 226,000 tonnes in FY2014.

The Group has successfully renewed the mining right for Mine 1 in January 2016, and is applying to convert the exploration right for Mine 1 to a mining right with the goal of increasing its approved annual production scale from the current 50,000 tonnes for Mine 1 to potentially 400,000 tonnes.

Phosphate rock prices are expected to remain stable in FY2016. The Group intends to increase its rock production and this is expected to contribute positively to the Group's cash flows and profits.

Downstream Segment

The Group has successfully managed to bring down the production cost of P₄ in FY2015. However, the price outlook for P₄ is expected to remain challenging in FY2016, and the management will continue to monitor the situation and take steps to ensure the economic

production and profitability of P₄. The management will continue to explore the export market for the other downstream phosphate chemical products.

Debt Management

As part of debt restructuring, on 26 January 2016, the Group redeemed the existing redeemable preference shares of \$7.0 million and issued new redeemable preference shares amounting to \$5.7 million. The new redeemable preference shares will mature in January 2021 and have a dividend rate of 8% per annum as compared to the 12.5% per annum of the existing redeemable preference shares. With the completion of debt restructuring, the Group is expected to benefit from lower borrowing costs in FY2016.

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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 15 years of relevant experience in their respective fields, the Group currently owns exploration and mining rights to three mines in the Sichuan province and has started downstream processing activities in its nearby Gongxing plant.

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 fourth quarter ended 31 December 2015.

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