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## MINING OPERATIONS – UPDATE ON NEGOTIATIONS WITH THE SICHUAN GOVERNMENT

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*Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the [offer document dated 25 September 2013](#) and registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 25 September 2013, and the Company's announcements dated inter-alia [21 July 2016](#), [3 March 2017](#), [24 November 2017](#), [30 November 2017](#), [4 December 2017](#), [24 January 2018](#), [9 February 2018](#), [28 February 2018](#), [28 March 2018](#), [10 April 2018](#), [26 April 2018](#), [22 June 2018](#) and [29 August 2018](#), [31 August 2018](#), [26 October 2018](#), [30 October 2018](#), and [1 November 2018](#) (the “Announcements”).*

The Group has been in discussion with the Chinese Government (since November 2017) for a settlement in relation to the cessation of the mining activities at Mine 1 and Mine 2 because of the Panda Park and the Mianzhu Government's request to provide undertaking to vacate its mining site in the JiuDingshan Nature Reserve.

To date, while the Company has made continuous efforts in good faith to reach an amicable settlement with the Chinese Government, the parties have been unable to settle the dispute through negotiations.

On 31 August 2018, the Company's lawyers, King and Spalding LLP has written to the Chinese Government to notify them that China is in breach of its obligations under the China-Singapore Bilateral Investment Treaty (“BIT”) and the ASEAN-China Investment Agreement and to request consultation and negotiations with China regarding this dispute in accordance with those two treaties. Should China fail to engage in amicable settlement discussions or should such discussions fail to result in an amicable resolution of the dispute within six months from 31 August 2018, the Group reserve its rights to submit the dispute at that time to international arbitration under the two treaties.

Subsequent to the 31 August 2018 letter and the follow-up letter dated 10 October 2018 issued by the Company's lawyer, the Chinese Government (via the Ministry of Commerce, ‘MOFCOM’) has replied to our lawyers on or around 31 October 2018, to request some information regarding the Group's investment in China, and has now received the requested information. We note that the issue has now been escalated to MOFCOM for attention, and we will continue to keep shareholders informed of any significant progress on this issue.

### **China-Singapore Free Trade Agreement (CSFTA) Upgrade**

The Group has been following the recent developments relating to China-Singapore Free Trade Agreement (CSFTA) upgrade, and the CSFTA signing that was announced this week. The enhancements in investor protection in the CSFTA are of particular interest/relevance to the Group's investments in China, and we were especially reassured to hear Premier Li's messages encouraging Singapore investment into China and the enhanced focus on investor protection (Premier Li was quoted as saying the following: “*If any of you encounter any unfair treatment when investing in China or any unfair treatment when investing in the business environment, feel free to contact any of the ministers here and even directly to me,*” said Mr Li.”<sup>1</sup>). We will continue to monitor these developments, and look forward to discussing the details of the enhanced CSTFA (when the CSFTA is made publicly available) with the Chinese authorities, in the context of the Group's investments in China.

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<sup>1</sup> Source: 2018-11-13, <https://www.channelnewsasia.com/news/singapore/li-keqiang-singapore-lecture-asean-summit-trade-south-china-sea-10927304>; and in the Lianhe Zaobao Chinese-language newspaper, 2018-11-14: <https://www.zaobao.com.sg/sme/news/story20181114-907345> / <https://www.sgsme.sg/node/14421>



**Confirmation statement**

The Board confirms that, save for information which has not been disclosed with respect to ongoing negotiations with the Chinese Government and wherein there is no certainty or assurance on the outcome of the negotiations, all material disclosures, facts and information (including but not limited to disclosures pertaining to, *inter alia*, material operations and business of the Group, mining operations, and mining and exploration rights) have been provided and announced. Save as announced, the Board is not aware of any facts, information or disclosures, the omission of which would make any statement in this Announcement or previous announcements or disclosures misleading in any material respect.

The Company will make such further announcements at the appropriate juncture, as and when there are material developments in relation to the above matters.

Shareholders and potential investors should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Simon Ong Eng Hock  
Executive Director  
AsiaPhos Limited

15 November 2018

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

*This announcement has not been examined or approved by the Exchange and the Exchange assumes 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.*

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