
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

If you are in any doubt as to any aspect of the Prospectus Documents or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or, under contingent situation, such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.



RIGHTS ISSUE OF RIGHTS SHARES ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Underwriter to the Rights Issue



Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 15 April 2019. The procedures for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares are set out on pages 14 to 18 of this Prospectus.

It should be noted that the Rights Issue is fully underwritten and that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These certain events are set out in the section headed "Termination and rescission of the Underwriting Agreement" on pages 6 to 7 of this Prospectus. If the Underwriting Agreement is terminated or rescinded by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Wednesday, 20 March 2019 and that dealings in Shares have taken place while the conditions to which the Underwriting Agreement is subject remain unfulfilled or not waived (as appropriate). Any Shareholders or other persons dealing in the Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled or waived (as appropriate) (which is expected to be 4:00 p.m. on Tuesday, 16 April 2019), will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

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EXPECTED TIMETABLE

The expected timetable in respect of the Rights Issue is set out below:

First day of dealings in nil-paid Rights Shares Tuesday, 2 April 2019

Latest time for splitting of nil-paid Rights Shares 4:30 p.m. on
Thursday, 4 April 2019

Last day of dealings in nil-paid Rights Shares Wednesday, 10 April 2019

Latest time for acceptance of and payment for
Rights Shares and application and payment
for excess Rights Shares 4:00 p.m. on
Monday, 15 April 2019

Latest time for termination and rescission of
the Underwriting Agreement 4:00 p.m. on
Tuesday, 16 April 2019

Publication of the announcement of results of
acceptance and excess application of Rights Issue Wednesday, 24 April 2019

Refund cheques in respect of wholly or
partially unsuccessful application for excess
Rights Shares expected to be despatched on or before Thursday, 25 April 2019

Share certificates for Rights Shares
expected to be despatched on or before Thursday, 25 April 2019

Expected commencement of dealings in
fully-paid Rights Shares 9:00 a.m. on
Friday, 26 April 2019

Note: All dates and times referred to in this Prospectus are Hong Kong dates and times. Dates or deadlines specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Further announcement will be made in the event that there is any change to the expected timetable for the Rights Issue.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning. If such circumstance is:

- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Monday, 15 April 2019, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be extended to 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 15 April 2019, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares does not take effect on Monday, 15 April 2019, the dates mentioned above may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, the following expressions have the meanings set out below unless the context requires otherwise:

“A\$”	Australian dollars, the lawful currency of Australia;
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 373) and is a substantial shareholder of APL and the Company;
“Allied Properties Investments”	Allied Properties Investments (1) Company Limited, a company incorporated in the British Virgin Islands with limited liability and is a substantial shareholder of the Company;
“Announcement”	the announcement of the Company dated 11 March 2019 in relation to the Rights Issue;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 56) and is a substantial shareholder of the Company;
“Board”	the board of Directors;
“business day”	a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong are generally open for business;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Company”	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1104);
“connected person”	has the meaning ascribed to it under the Listing Rules;

DEFINITIONS

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the excess application form(s) for additional Rights Shares to be issued to the Qualifying Shareholders;
“Existing Shares”	the Shares which are in issue on the Record Date;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertaking”	the irrevocable undertaking given by Allied Properties Investments in favour of the Company to take up 145,557,338 Rights Shares as described in the section headed “Letter from the Board — Irrevocable Undertaking”;
“Last Trading Day”	Monday, 11 March 2019, being the last trading day of the Shares on the Stock Exchange immediately preceding the release of the Announcement;
“Latest Practicable Date”	22 March 2019, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus;
“Latest Time for Acceptance”	4:00 p.m. on Monday, 15 April 2019 (or such later time/date as may be agreed in writing between the Company and the Underwriter), being the latest time for acceptance of the Rights Shares and application for the excess Rights Shares;
“Latest Time for Termination”	4:00 p.m. on Tuesday, 16 April 2019 (or such later time/date as may be agreed in writing between the Company and the Underwriter), being the latest time for terminating or rescinding the Underwriting Agreement which is the next business day after the Latest Time for Acceptance;

DEFINITIONS

“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions obtained by the Company, consider it necessary or expedient not to offer Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register is/are outside Hong Kong;
“PAL(s)”	the renounceable provisional allotment letter(s) representing the Rights Shares to be issued to the Qualifying Shareholders under the Rights Issue;
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, Macau and Taiwan;
“Prospectus”	this document relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders, under the Rights Issue;
“Prospectus Documents”	this Prospectus, PAL and EAF;
“Prospectus Posting Date”	29 March 2019, being the date of despatch of the Prospectus Documents;
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date;

DEFINITIONS

“Record Date”	28 March 2019, being the date for determining entitlements of Shareholders to participate in the Rights Issue;
“Registrar”	Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company;
“Rights Issue”	the issue by way of rights of one Rights Share for every two Existing Shares at the Subscription Price, payable in full on acceptance on the terms set out in the Prospectus Documents;
“Rights Share(s)”	406,297,971 Shares, being the new Share(s) to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Shougang Fushan”	Shougang Fushan Resources Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 639) and is a substantial shareholder of the Company;
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which render any of the warranties contained in the relevant provisions in the Underwriting Agreement untrue or incorrect in any material respect;

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$1.10 per Rights Share;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong;
“Underwriter”	Morton Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity as defined under the SFO;
“Underwriting Agreement”	the underwriting agreement dated 11 March 2019 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue;
“Underwritten Shares”	not more than 260,740,633 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement; and
“%”	per cent.

Unless otherwise stated, amount in A\$ have been translated into HK\$ at the exchange rate of HK\$5.60565 to A\$1 for illustration purpose only. No representation has been made that any amount in A\$ or HK\$ can be or could have been converted at the relevant date at the above rate or any other rates at all.

TERMINATION AND RESCISSION OF THE UNDERWRITING AGREEMENT

If prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue after the signing of the Underwriting Agreement;
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (c) any materially adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole;
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (e) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole; or
 - (f) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

TERMINATION AND RESCISSION OF THE UNDERWRITING AGREEMENT

- (ii) there is any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) the Prospectus and all amendments and supplements thereto when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may, in the reasonable opinion of the Underwriter, is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

If the Underwriter terminates or rescinds the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is terminated or rescinded.

LETTER FROM THE BOARD



APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

Executive Directors:

Mr. Brett Robert Smith (*Deputy Chairman*)

Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-Executive Directors:

Mr. Arthur George Dew (*Chairman*)

(*Mr. Wong Tai Chun, Mark as his alternate*)

Mr. Lee Seng Hui

Mr. So Kwok Hoo

Independent Non-Executive Directors:

Dr. Wong Wing Kuen, Albert

Mr. Chang Chu Fai, Johnson Francis

Mr. Robert Moyse Willcocks

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Head office and

principal place of business:

Room 2304, 23rd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

29 March 2019

To the Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE OF RIGHTS SHARES ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue.

On 11 March 2019 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter with respect to the Rights Issue.

The Company will implement the Rights Issue on the basis of one Rights Share for every two Existing Shares in issue and held on the Record Date by issuing 406,297,971 Rights Shares at the Subscription Price of HK\$1.10 per Rights Share.

* *For identification purpose only*

LETTER FROM THE BOARD

Allied Properties Investments has irrevocably undertaken to the Company, among other things, to accept a maximum of 145,557,338 Rights Shares to be provisionally allotted to it under the Rights Issue.

The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertaking) is fully underwritten by the Underwriter.

The purpose of this Prospectus is to provide the Shareholders, among other things, (i) further details about the Rights Issue including the procedures for acceptance of and payment for the Rights Shares; (ii) the financial information of the Group; and (iii) the general information of the Group.

RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue:	one Rights Share for every two Existing Shares
Subscription price:	HK\$1.10 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	812,595,943 Shares
Number of Rights Shares to be issued under the Rights Issue:	406,297,971 Rights Shares (assuming no Shares are allotted and issued or repurchased on or before the Record Date)
Number of Rights Shares agreed to be underwritten by the Underwriter:	Not more than 260,740,633 Rights Shares
Aggregate nominal value of the Rights Shares:	HK\$406,297,971
Number of Shares in issue upon completion of the Rights Issue:	1,218,893,914 Shares (assuming no Shares (other than the Rights Shares) are allotted and issued or repurchased from the Latest Practicable Date up to the completion of the Rights Issue)
Amount to be raised:	Approximately HK\$447 million before expenses
Estimated net proceeds from the Rights Issue:	Approximately HK\$438 million
Right of excess applications:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities convertible into or giving rights to subscribe for Shares.

The number of 406,297,971 nil-paid Rights Shares to be provisionally allotted pursuant to the terms of the Rights Issue represented approximately 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming no Shares (other than the Rights Shares) are allotted and issued or repurchased on or before the Record Date.

The theoretical dilution effect of the Rights Issue calculated pursuant to Rule 7.27B of the Listing Rules was approximately 4.91%.

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting under the Listing Rules.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder or an investor must: (i) be registered as a member of the Company at the close of business on the Record Date; and (ii) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date so as to qualify for the Rights Issue, any transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 21 March 2019.

The latest time for acceptance is expected to be 4:00 p.m. on Monday, 15 April 2019.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

LETTER FROM THE BOARD

Non-Qualifying Shareholders

The Prospectus Documents have not been registered or filed under the applicable securities legislation or equivalent legislation of any jurisdictions other than Hong Kong. No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong.

As at the Latest Practicable Date, the Company had certain Overseas Shareholders whose addresses on the register of members of the Company are outside Hong Kong, including one in Australia, two in Germany, one in Switzerland and one in the United Kingdom. The Shares held by such Overseas Shareholders represented less than 0.0003% of the total issued Shares as at the Latest Practicable Date.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholders.

Taking into account the foreign legal opinions as at the Latest Practicable Date provided by the legal advisers where such Overseas Shareholders are based, the Directors are of the view that it is expedient to extend the Rights Issue to the Overseas Shareholders with registered addresses in Australia, Germany, Switzerland and the United Kingdom and regard them as Qualifying Shareholders as there are no specific legal restrictions and/or regulatory requirements applicable in such jurisdictions in terms of offering the Rights Shares.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be provisionally allotted to a nominee of the Company in nil-paid form. The Company shall procure that such nominee to sell the Rights Shares in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event on or before the last day for dealings in the nil-paid Rights Shares at a net premium. If and to the extent that such rights can be so sold, the nominee shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Non-Qualifying Shareholders shall be distributed pro rata to their shareholdings as at the Record Date (but rounded down to the nearest cent) in Hong Kong dollars provided that the individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be taken up by excess application or by the Underwriter pursuant to the terms of the Underwriting Agreement.

LETTER FROM THE BOARD

It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

No Shareholders receiving a copy of the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat the same as an offer or invitation to elect for Rights Shares unless in the relevant territory or jurisdiction such offer or invitation could lawfully be made to them without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an offer or invitation will be deemed to have received the Prospectus Documents for information only.

If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities legislations or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Subscription Price

The subscription price for the Rights Shares is HK\$1.10 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 14.73% to the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 10.35% to the theoretical ex-rights price of approximately HK\$1.227 per Share, which is calculated on the basis of the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (iii) a discount of approximately 13.25% to the average of the closing prices per Share for the five consecutive trading days ended on the Last Trading Day of approximately HK\$1.268;
- (iv) a discount of approximately 16.98% to the average of the closing prices per Share for the ten consecutive trading days ended on the Last Trading Day of approximately HK\$1.325;
- (v) a discount of approximately 68.0% to the unaudited consolidated net asset value per Share of approximately HK\$3.437 as at 31 December 2018 (which is calculated based on the total equity attributable to the owners of the Company as at 31 December 2018 of approximately HK\$2,793.2 million and 812,595,943 Shares as at the Latest Practicable Date); and
- (vi) a discount of approximately 7.56% to the closing price of HK\$1.19 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, and the amount of funds the Company intends to raise under the Rights Issue. After taking into consideration of the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and Use of Proceeds” below, the Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above) and in the context of the Company’s long-term business strategy, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$1.078.

Basis of Provisional Allotment

The basis of the provisional allotment shall be one Rights Share for every two Existing Shares. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a cheque or a banker’s cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional Entitlements to the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be made available for excess application by the Qualifying Shareholders under the EAFs. No odd lot matching services will be provided.

LETTER FROM THE BOARD

Stamp Duty and other Applicable Fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the Registrar will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Share Certificates and Refund Cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Thursday, 25 April 2019 to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Thursday, 25 April 2019 by ordinary post to the applicants at their own risk.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment and issue of the fully-paid Rights Shares.

Procedures for Acceptance, Transfer and Splitting of Provisional Allotments of the Rights Shares

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar by no later than 4:00 p.m. on Monday, 15 April 2019. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "APAC Resources Limited — Rights Issue Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Monday, 15 April 2019, whether by the original allottee or any person to whom the rights have been transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAFs by other Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part or all of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to one or more than one person, the entire PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 4 April 2019 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and banker's cashier orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant territory or jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities legislations or other laws or regulations of any territory or jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a banker's cashier order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that such cheque or banker's cashier order will be honored on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or banker's cashier order is dishonored on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled and/or waived (as the case may be), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk on or before Thursday, 25 April 2019.

No receipt will be issued in respect of any application monies received.

For further details of the procedures for acceptance, transfer and splitting of provisional allotments of the Rights Shares, please refer to the PAL.

LETTER FROM THE BOARD

Application for Excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for Rights Shares representing:

- (i) unsold entitlements of the Non-Qualifying Shareholders (if any);
- (ii) entitlements provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renouncees or transferees of nil-paid Rights Shares; and
- (iii) aggregate fractional entitlements of nil-paid Rights Shares.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar by a time no later than 4:00 p.m. on Monday, 15 April 2019. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to **"APAC Resources Limited — Excess Application Account"** and crossed **"Account Payee Only"**.

The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis in proportion to the number of excess Rights Shares being applied for under each application. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Further, pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder or its associates (together, the **"Relevant Shareholders"**), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders' applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares. Save for those Rights Shares which Allied Properties Investments has irrevocably undertaken to take up, any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

LETTER FROM THE BOARD

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Wednesday, 24 April 2019. If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, it is expected that the amount tendered on application will be refunded to that Qualifying Shareholder in full without interest by means of a cheque despatched by ordinary post to his/her/its registered address on or before Thursday, 25 April 2019 at his/her/its own risk. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that being applied for, it is expected that the surplus application monies will also be refunded to that Qualifying Shareholder without interest by means of a cheque despatched by ordinary post to his/her/its registered address on or before Thursday, 25 April 2019 at his/her/its own risk.

Completion and return of the EAF together with a cheque or a banker's cashier order in payment for the excess Rights Shares which are the subject of the EAF will constitute a warranty by the applicant that such cheque or banker's cashier order will be honored on first presentation. All cheques and banker's cashier orders accompanying the completed EAF will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. If any cheque or banker's cashier order is dishonored on first presentation, without prejudice to the other rights of the Company, the EAF is liable to be rejected.

No receipt will be issued in respect of any application monies received.

Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant territory or jurisdictions other than Hong Kong in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date. No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, it is the responsibility of any person outside Hong Kong wishing to make an application for excess Rights Shares to satisfy himself/herself/itself before making the application for excess Rights Shares as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any government or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in any such territory or jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes in doing so would violate the applicable securities legislations or other laws or regulations of any territory or jurisdiction.

LETTER FROM THE BOARD

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled and/or waived (as the case may be), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk on or before Thursday, 25 April 2019.

For further details of the procedures for application of the excess Rights Shares, please refer to the EAF.

Application for Listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the board lot size as the existing board lot size of the Shares, namely, 20,000 in one board lot. Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, Allied Properties Investments was interested in 291,114,676 Shares, representing approximately 35.82% of the total number of Shares in issue. Pursuant to the Irrevocable Undertaking, subject to the fulfilment of the conditions of the Rights Issue and the Underwriting Agreement not having been terminated or rescinded in accordance with its terms, Allied Properties Investments has irrevocably undertaken to the Company, among other things:

- (i) to remain as the beneficial owner of all the Shares held by it up to and including the Record Date;
- (ii) to subscribe for a maximum of 145,557,338 Rights Shares to be provisionally allotted to it under the Rights Issue, representing its full entitlement under the Rights Issue; and
- (iii) not to, during the period from the date of the Irrevocable Undertaking up to and including the Record Date, transfer or otherwise dispose of, or create any encumbrances over or in respect of, any Shares held by it.

Save for the Rights Shares which Allied Properties Investments has irrevocably undertaken to take up, the Rights Issue is fully underwritten by the Underwriter.

Other than Allied Properties Investments, the Company has not received any undertakings from any other Shareholders to subscribe for all or any of the Rights Shares to be provisionally allotted to them.

UNDERWRITING AGREEMENT

The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertaking) is fully underwritten by the Underwriter. On 11 March 2019 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue. Details of the Underwriting Agreement are set out below:

Date: 11 March 2019 (after trading hours)

Parties: (a) the Company
(b) the Underwriter

The Underwriter is a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO.

LETTER FROM THE BOARD

To the best knowledge and information of the Directors, after reasonable enquiries, the Underwriter is a third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with, the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries and their respective associates and is not a connected person of the Company.

Number of
underwritten
Rights Shares:

The Underwriter agreed to underwrite not more than 260,740,633 Rights Shares, representing all the Rights Shares (i.e. 406,297,971 Rights Shares) less the number of Rights Shares undertaken to be taken up by Allied Properties Investments pursuant to the Irrevocable Undertaking (i.e. 145,557,338 Rights Shares), and assuming no other Shares are otherwise allotted and issued or repurchased before the Record Date.

Underwriter's
commission:

The Company will pay to the Underwriter an underwriting commission of 2.5% of the Subscription Price in respect of the Underwritten Shares committed to be underwritten by the Underwriter (for avoidance of doubt, it shall mean the maximum amount of the Underwritten Shares).

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to, amongst other things, the size of the Rights Issue, the existing financial position of the Group, and the current and expected market condition. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the commission payable by the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Underwriter may enter into sub-underwriting agreements with sub-underwriter(s) or appoint person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers for any Underwritten Shares with such authority and rights as the Underwriter has pursuant to its appointment under the Underwriting Agreement.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The obligations of the Underwriter are conditional upon the satisfaction of the following conditions:

- (i) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only, by no later than the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date;
- (iv) compliance with and performance of all the undertakings and obligations of the Company under terms of the Underwriting Agreement;
- (v) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms of the Underwriting Agreement on or before the Latest Time for Termination; and
- (vi) Allied Properties Investments having duly executed the Irrevocable Undertaking and compliance by Allied Properties Investments with its obligations under the Irrevocable Undertaking.

The conditions precedent set out in paragraphs (i) to (iii) above are incapable of being waived by the Underwriter or the Company.

As at the Latest Practicable Date, none of the conditions have been fulfilled. If the conditions precedent set out in the above paragraphs are not satisfied in whole or in part at the respective time and dates specified therein (or such other date and time as the Underwriter may agree with the Company in writing (as permitted under the relevant legal and regulatory requirements)), the Underwriting Agreement shall terminate (save for certain provisions which would survive after termination of the Underwriting Agreement and any rights or obligations which have accrued under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for cost, damages, compensation or otherwise, and the Rights Issue will not proceed.

LETTER FROM THE BOARD

Termination and rescission of the Underwriting Agreement

If prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue after the signing of the Underwriting Agreement;
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (c) any materially adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole;
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
 - (e) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole; or
 - (f) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

LETTER FROM THE BOARD

- (ii) there is any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) the Prospectus and all amendments and supplements thereto when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may, in the reasonable opinion of the Underwriter, is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

If the Underwriter terminates or rescinds the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is terminated or rescinded.

LETTER FROM THE BOARD

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no Shares (other than the Rights Shares) are allotted and issued or repurchased from the Latest Practicable Date up to the completion of the Rights Issue, set out below are the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Rights Issue:

Shareholders	Immediately after completion of the Rights Issue					
	Existing shareholding as at the Latest Practicable Date		Assuming full acceptance by the Qualifying Shareholders		Assuming nil acceptance by the Qualifying Shareholders other than Allied Properties Investments	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Allied Properties Investments ^(Note 1)	291,114,676	35.82	436,672,014	35.82	436,672,014	35.82
Shougang Fushan ^(Note 2)	143,400,000	17.64	215,100,000	17.64	143,400,000	11.76
Other public Shareholders	378,081,267	46.54	567,121,900	46.54	378,081,267	31.03
The Underwriter ^(Note3)	–	–	–	–	260,740,633	21.39
Total	<u>812,595,943</u>	<u>100.00</u>	<u>1,218,893,914</u>	<u>100.00</u>	<u>1,218,893,914</u>	<u>100.00</u>

Notes:

1. Allied Properties Investments is beneficially interested in 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company. Mr. Lee Seng Hui (being a non-executive Director) is one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, controls approximately 74.95% of the total number of issued shares of AGL, which in turn owns approximately 74.99% of the total number of issued shares of APL, and which in turn indirectly owns approximately 35.82% of the total issued share capital of the Company.
2. These shares are held by Benefit Rich Limited, a wholly-owned subsidiary of Shougang Fushan.
3. Pursuant to the Underwriting Agreement, in the event that the Underwriter is required to take up the Underwritten Shares pursuant to its underwriting obligations, the Underwriter shall:
 - (i) procure that each of the relevant subscribers of the Underwritten Shares shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with, the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries and their respective associates and shall not be a connected person of the Company;
 - (ii) procure each of the subscribers of the Underwritten Shares and their respective associates shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 10.0% or more of the voting rights of the Company immediately upon completion of the Rights Issue; and
 - (iii) not, and shall procure each of the subscribers of the Underwritten Shares shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 30.0% or more of the voting rights of the Company immediately upon completion of the Rights Issue.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. The Group is an established investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment, resource investment, and commodity trading business, focused primarily on metals, mining and energy and investment in financial assets.

The Directors consider that the Rights Issue will provide an opportunity to raise capital for the Company whilst strengthening the capital base and the financial position of the Company. Accordingly, the Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole. The gross proceeds and net proceeds from the Rights Issue will be approximately HK\$447 million and HK\$438 million respectively (assuming no Shares are allotted and issued or repurchased on or before the Record Date). The net proceeds of the Rights Issue are intended to be applied in the following manner:

- (i) approximately HK\$244 million (representing 56% of the estimated net proceeds from the Rights Issue) will be used for enhancing the Group's capacity to further invest in companies involved in the resources sector or more particularly in the production of certain minerals.

The Group has considered the potential availability and consumption possibilities and has formed the view that the market for certain commodities may be positive. The Group has also considered the improving yields of certain resource companies and considers that certain resource companies have positive prospects and that further investment in the sector should yield enhanced returns for the Company and its shareholders and is positive for the long term development of the Group;

- (ii) approximately HK\$150 million (representing 34% of the estimated net proceeds from the Rights Issue) will be used for the repayment of the Group's existing outstanding loans and other related expenses owed to a bank and a related company to improve the gearing of the Group; and
- (iii) approximately HK\$44 million (representing 10% of the estimated net proceeds from the Rights Issue) for general working capital for the Group.

The estimated expenses of the Rights Issue (including professional fees and other related expenses) amount to approximately HK\$9 million and will be borne by the Company.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the 12 months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Rights Issue is not subject to Shareholders' approval under the Listing Rules and will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendixes to this Prospectus.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon, details of which are set out in the section headed "Letter from the Board — Underwriting Agreement — Conditions of the Rights Issue" in the full text of this Prospectus. The obligation of the Underwriter to underwrite the relevant Rights Shares is conditional on (i) the satisfaction (or waiver, where applicable) of, among other things, the conditions referred to in the section headed "Letter from the Board — Underwriting Agreement — Conditions of the Rights Issue" in this Prospectus; and (ii) the Underwriting Agreement not being terminated or rescinded by the Underwriter in accordance with its terms. If the conditions are not fulfilled (or waived, where applicable) or the Underwriting Agreement is terminated or rescinded pursuant to its terms, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination or rescission of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 2 April 2019 to Wednesday, 10 April 2019 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

Yours faithfully,
By Order of the Board
APAC Resources Limited
Andrew Ferguson
Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three years ended 30 June 2018 and the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2018 together with the relevant notes thereto are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.apacresources.com):

- pages 19 to 82 in the interim report of the Company for the six months ended 31 December 2018 published on 22 March 2019
(<http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0322/LTN20190322363.pdf>);
- pages 54 to 129 in the annual report of the Company for the year ended 30 June 2018 published on 19 October 2018
(<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1019/LTN20181019407.pdf>);
- pages 42 to 109 in the annual report of the Company for the year ended 30 June 2017 published on 20 October 2017
(<http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/1020/LTN20171020325.pdf>); and
- pages 43 to 107 in the annual report of the Company for the year ended 30 June 2016 published on 25 October 2016
(<http://www3.hkexnews.hk/listedco/listconews/SEHK/2016/1025/LTN20161025168.pdf>).

2. INDEBTEDNESS STATEMENT

As at the close of business of 28 February 2019, being the latest practicable date for the purpose of this indebtedness statement, the Group had the outstanding borrowings of approximately HK\$93 million, comprising (i) bank borrowings of approximately HK\$43 million; and (ii) amounts due to a related company of approximately HK\$50 million.

As at 28 February 2019:

- (i) the bank borrowings of approximately HK\$43 million were secured by pledged bank deposit of approximately HK\$50 million which were denominated in A\$; and
- (ii) the amounts due to a related company of approximately HK\$50 million were unsecured.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding bank overdraft, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance creditors, debentures, mortgages, charges, finance lease, hire purchases commitments, which were either guaranteed, unguaranteed, secured or unsecured guarantees or other material contingent liabilities at the close of business of 28 February 2019.

Since the close of business of 28 February 2019 up to and including the Latest Practicable Date, the Group has obtained additional bank borrowings of approximately HK\$62 million which was secured by pledged bank deposit of approximately HK\$73 million which is denominated in A\$.

Save as aforesaid, the Directors were not aware of any material changes in the Group's indebtedness and contingent liabilities since the close of business of 28 February 2019 up to and including the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources available to the Group including internally generated funds, bank and other borrowings and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements and for at least twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

The Group has obtained additional bank and other borrowings, net of HK\$111.5 million, since 30 June 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up, and the Group reported a net loss attributable to Shareholders of HK\$185.6 million for the six months ended 31 December 2018.

Save as aforesaid, as at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 30 June 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Our Group reported an increase in revenue of approximately HK\$9.1 million or 23.2% from approximately HK\$39.2 million for the six months ended 31 December 2017 ("1H 2018") to approximately HK\$48.3 million for the six months ended 31 December 2018 ("1H 2019"). However, our Group reported a net loss attributable to Shareholders of approximately HK\$185.6 million for 1H 2019, compared with a net profit attributable to Shareholders of approximately HK\$477.6 million for 1H 2018. This is driven by an unrealised loss of approximately HK\$120.9 million from our resource investment division, an unrealised loss of approximately HK\$298.4 million from fair value changes on investments related to our investments in Metals X Limited and Westgold Resources Limited, which is partially offset by an approximately HK\$180.6 million reversal of impairment loss on the carrying value of the Group's investment in Mount Gibson Iron Limited ("**Mount Gibson**").

Our primary strategic investment is in Mount Gibson which is listed and operating in Australia. In the financial year ended 30 June 2018, we also acquired an investment in Tanami Gold NL ("**Tanami Gold**").

Mount Gibson is an Australian listed iron ore producer. Mining of Direct Shipping Ore from its Iron Hill mine ended recently and development of the Koolan Island Restart Project is underway with first sales expected in April 2019. Mount Gibson reported a net profit after tax of A\$45 million for the six months ended 31 December 2018 from sales of approximately 2.2 million tonnes. We continue to expect average iron ore prices to remain capped in the medium term given weak non-China steel demand and continuing supply growth in Australia.

In June 2018, we acquired 38.09% of Tanami Gold for a consideration of A\$20,143,000 (equivalent to approximately HK\$126,495,000 based on the then exchange rate), and in September 2018, we acquired an additional 30 million shares in Tanami Gold, and now own 40.6% of Tanami Gold. Tanami Gold's principal business activity is gold exploration. It holds 60% of the Central Tanami Project and has a cash balance of A\$28 million, after it exercised its first put option in July 2018 to sell 15% of the project to Northern Star Resources Limited ("**Northern Star**") for A\$20 million cash. The remaining 40% is owned by Northern Star. Under the terms of the joint venture, Northern Star will solely fund all expenditure of the Central Tanami Project until commercial production is achieved. After commercial production is reached, Northern Star can earn an additional 35% of the Central Tanami Project and Tanami Gold has a second put option to sell its remaining 25% of the project to Northern Star for A\$32 million. In August 2018, Northern Star completed a drilling program in the Central Tanami Project targeting an extension to the existing Hurricane-Repulse system. Best results include 17m at 6g/t gold from 17m and 19m at 4.6g/t from 136m.

The commodity market has been volatile during the second half of 2018. Looking forward, the Board believes that the performance of the equity investments at fair value through profit or loss will be dependent on market sentiment which is affected by factors such as commodity prices, interest rate movements, geo-political conditions and performance of the macro economy. In order to mitigate the associated risks, the Group will review its investment strategy regularly and take appropriate actions whenever necessary in response to changes in market situation. In addition, the Group will also seek potential investment opportunities with an aim to maximize value for the Shareholders.

Global economic outlook has deteriorated in the second half of 2018, with the impact of the US-China trade war showing up in weaker trade data in all regions including Europe. The Chinese economy has cooled, and the market is now expecting the People's Bank of China to step in with monetary stimulus measures, even though this runs contrary to its longer term deleveraging strategy. The US Fed has also signaled it will pause on rate hikes in response to an uncertain economic outlook. Mount Gibson remains our largest investment. It is underpinned by a large cash reserve, and is focused on its Koolan Island Restart Project, with production expected in early 2019. This is a timely development as high grade iron ore remains at a notable premium, and once in operation, Koolan Island will be the highest grade DSO mine in Australia. Our new investment portfolios are the platform for future mining and energy investments. We remain defensive and selective with our investments in the near term, and continue to look for high quality opportunities which will generate attractive returns over the long run.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets which has been prepared by the Directors in accordance with paragraph 4.29 of Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2018. As it is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group upon completion of the Rights Issue at 31 December 2018 or any future date. The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2018, as extracted and derived from the Group's unaudited condensed consolidated financial statements for the six months ended 31 December 2018 included in the published interim report of the Group for the six months ended 31 December 2018, and is adjusted for the effect of the Rights Issue as described below.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 (Note 1) HK\$'000	Estimated net proceeds from the Rights Issue (Note 2) HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 as adjusted for the Rights Issue HK\$'000	Unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 per Share (Note 3) HK\$	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 as adjusted for the Rights Issue per Share (Note 4) HK\$
Rights Issue of 406,297,971 Rights Shares to be issued at Subscription Price of HK\$1.10 per Rights Share	2,793,172	437,928	3,231,100	3.44	2.65

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 is based on the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$2,793,172,000 as extracted from the published interim report of the Group for the six months ended 31 December 2018.
2. The estimated net proceeds from the Rights Issue are based on the issuance of 406,297,971 Rights Shares at Subscription Price of HK\$1.10 per Rights Share, after deducting the estimated underwriting commission and other related expenses of approximately HK\$9,000,000 to be incurred by the Company.
3. The unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 per Share is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$2,793,172,000 divided by 812,595,943 Shares in issue as at 31 December 2018.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 as adjusted for the Rights Issue per Share is calculated based on 1,218,893,914 Shares which represents 812,595,943 Shares in issue as at 31 December 2018 and 406,297,971 of Rights Shares to be issued, pursuant to the Rights Issue, were in issue assuming that the Rights Issue had been completed on 31 December 2018.
5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2018.

The following is the text of a report received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information for the purpose in this prospectus.



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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF APAC RESOURCES LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of APAC Resources Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2018 and related notes as set out on page II-1 of the prospectus issued by the Company dated 29 March 2019 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page II-1 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share for every two existing shares held on the Record Date (as defined in the Prospectus) (the "**Rights Issue**") on the Group's net tangible assets attributable to the owners of the Company as at 31 December 2018 as if the Rights Issue had taken place at 31 December 2018. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 31 December 2018, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 March 2019

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately upon completion of the Rights Issue (assuming there is no change in the issued share capital of the Company (other than the issue of the Rights Shares) from the Latest Practicable Date up to and including the completion of the Rights Issue) are as follows:

(a) As at the Latest Practicable Date

	Nominal value per Share (HK\$)	Number of Shares	Nominal amount (HK\$)
Authorised:	1.00	<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued and fully paid up:	1.00	<u>812,595,943</u>	<u>812,595,943</u>

- (b) Immediately upon completion of the Rights Issue (assuming there is no change in the issued share capital of the Company (other than the issue of the Rights Shares) from the Latest Practicable Date up to and including the completion of the Rights Issue)

	Nominal value per Share (HK\$)	Number of Shares	Nominal amount (HK\$)
Authorised:	1.00	2,000,000,000	2,000,000,000
Issued and fully paid up:			
– As at the Latest Practicable Date	1.00	812,595,943	812,595,943
– Rights Shares to be issued pursuant to the Rights Issue	1.00	<u>406,297,971</u>	<u>406,297,971</u>
Shares upon completion of the Rights Issue	1.00	<u><u>1,218,893,914</u></u>	<u><u>1,218,893,914</u></u>

The Company did not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

All the Existing Shares in issue are listed on the Stock Exchange and rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

When issued and fully paid, the Rights Shares will rank *pari passu* in all respects with the Shares then in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

3. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Biographies of the Directors

Executive Directors

Mr. Brett Robert Smith, aged 58, was appointed as the Deputy Chairman and an Executive Director of the Company on 18 May 2016. Mr. Smith graduated from Melbourne University, Australia with a Bachelor's Degree in Chemical Engineering with Honors. He has also obtained a Master's Degree in Business Administration from Henley Management College, the United Kingdom and a Master's Degree in Research Methodology from Macquarie University, Australia. Mr. Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr. Smith has served on the board of private mining and exploration companies and has over 32 years international experience in the engineering, construction and mineral processing businesses. He is currently an executive director of Dragon Mining Limited ("**Dragon Mining**") (Stock Code: 1712) and a non-executive director of Prodigy Gold NL ("**Prodigy Gold**", formerly known as ABM Resources NL) (Stock Code: PRX). He was appointed as a non-executive director of Tanami Gold NL ("**Tanami Gold**") (Stock Code: TAM) in November 2018. Dragon Mining is a company listed on the main board of the Stock Exchange. Prodigy Gold and Tanami Gold are companies listed on the Australian Securities Exchange.

Mr. Andrew Charles Ferguson, aged 45, was appointed as an Executive Director and the Chief Executive Officer of the Company on 12 January 2010. Mr. Ferguson holds various directorships in subsidiaries of the Company. Mr. Ferguson holds a Bachelor of Science Degree in Natural Resource Development and worked as a mining engineer in Western Australia in the mid 90's. In 2003, Mr. Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd.. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 23 years of experience in the finance industry specialising in global natural resources. Being a fund manager for assets in London and Hong Kong, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. He is currently an alternate director to Mr. Lee Seng Hui in Mount Gibson Iron Limited ("**Mount Gibson**") (Stock Code: MGX). He was a non-executive director of Metals X Limited ("**Metals X**") (Stock Code: MLX) between May 2012 and March 2016, and a non-executive director of Prodigy Gold (Stock Code: PRX) between July 2012 and May 2016. Mount Gibson, Metals X and Prodigy Gold are companies listed on the Australian Securities Exchange.

Non-Executive Directors

Mr. Arthur George Dew, aged 77, was appointed as the Chairman and a Non-Executive Director of the Company on 1 March 2016. Mr. Dew graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is currently the chairman and a non-executive director of each of AGL (Stock Code: 373) and APL (Stock Code: 56), both are substantial shareholders of the Company, and Dragon Mining (Stock Code: 1712); a non-executive director of SHK Hong Kong Industries Limited ("**SHK HK IND**") (Stock Code: 666); and the chairman and a non-executive director of Tian An Australia Limited ("**Tian An Australia**") (Stock Code: TIA). He is also a non-executive director of Tanami Gold (Stock Code: TAM) and subsequently appointed as non-independent chairman in November 2018. AGL, APL, Dragon Mining and SHK HK IND are companies listed on the main board of the Stock Exchange. Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange.

Mr. Dew is a director of APL, which through its subsidiary, is deemed to be interested in, for the purpose of the SFO, 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. Dew is also a director of AGL, and as APL is a non wholly-owned subsidiary of AGL, AGL is also deemed to be interested in, for the purpose of the SFO, 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company as at the Latest Practicable Date.

Mr. Lee Seng Hui (李成輝), aged 50, was appointed as a Non-Executive Director of the Company on 2 October 2009. Mr. Lee graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. Mr. Lee is currently the chief executive and an executive director of each of AGL (Stock Code: 373) and APL (Stock Code: 56), and the chairman and a non-executive director of Tian An China Investments Company Limited (“**Tian An**”) (Stock Code: 28). AGL, APL and Tian An are companies listed on the main board of the Stock Exchange. He is also the non-executive chairman of Mount Gibson (Stock Code: MGX), a company listed on the Australian Securities Exchange. He was the chairman and a non-executive director of Asiasec Properties Limited (Stock Code: 271), a company listed on the main board of the Stock Exchange, between 2016 and January 2018.

Mr. Lee is a director of APL, which through its subsidiary, is deemed to be interested in, for the purpose of the SFO, 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. Lee is also a director of AGL, and as APL is a non wholly-owned subsidiary of AGL, AGL is also deemed to be interested in, for the purpose of the SFO, 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company as at the Latest Practicable Date.

Mr. So Kwok Hoo (蘇國豪), aged 65, was appointed as a Non-Executive Director of the Company on 20 October 2009. Mr. So has extensive experience in the coal industries, trading of iron ore and coking coal resources, sales and marketing of electrochemical and industrial products, and property investment. Mr. So holds Bachelor degrees in Applied Science with major in Chemical Engineering and Business Administration obtained in Canada. He is currently an executive director and deputy managing director of Shougang Fushan (Stock Code: 639), a company listed on the main board of the Stock Exchange and a substantial shareholder of the Company.

Mr. So is a director of Shougang Fushan which, through its wholly-owned subsidiary, is deemed to be interested in, for the purpose of the SFO, 143,400,000 Shares, representing approximately 17.64% of the total issued share capital of the Company as at the Latest Practicable Date.

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert (王永權), aged 67, has been appointed as an Independent Non-Executive Director of the Company since 6 July 2004. Dr. Wong holds a Doctor of Philosophy in Business Administration degree from the Bulacan State University, Republic of the Philippines. He is a fellow member of The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Chartered Secretaries, The Taxation Institute of Hong Kong, Association of International Accountants and Society of Registered Financial Planners. He is a member of Hong Kong Securities Institute, The Chartered Institute of Arbitrators and The Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. He ceased to be the principal consultant of KND & Co. CPA Limited, a private professional accounting firm in Hong Kong, in December 2017, and was appointed as the principal consultant of KND Associates CPA Limited in January 2018. Dr. Wong is currently an independent non-executive director of Solargiga Energy Holdings Limited (Stock Code: 757), China Merchants Land Limited (Stock Code: 978) and China VAST Industrial Urban Development Company Limited (Stock Code: 6166). These three companies are listed on the main board of the Stock Exchange. He is also an independent non-executive director of China Wan Tong Yuan (Holdings) Limited (Stock Code: 8199) and Capital Finance Holdings Limited (Stock Code: 8239). These two companies are listed on GEM of the Stock Exchange. He was appointed as an independent non-executive director of each of China Medical & HealthCare Group Limited (Stock Code: 383) and Dexin China Holdings Company Limited (Stock Code: 2019), both are companies listed on the main board of the Stock Exchange, in December 2018 and January 2019 respectively.

Mr. Chang Chu Fai, Johnson Francis (鄭鑄輝), aged 64, was appointed as an Independent Non-Executive Director of the Company on 6 July 2007. Mr. Chang obtained a Bachelor's Degree in Commerce from Concordia University in Montreal, Canada in 1976 and a Master's Degree in Business Administration from York University in Toronto, Canada in 1977. He has over 41 years of experience in banking, corporate finance, investment and management and has held various executive positions at financial institutions and directorships of listed companies. Mr. Chang is currently the Managing Director of Ceres Consultancy Limited and an independent non-executive director of Tian An (Stock Code: 28), a company listed on the main board of the Stock Exchange.

Mr. Robert Moyse Willcocks, aged 70, was appointed as an Independent Non-Executive Director of the Company on 27 July 2007. Mr. Willcocks holds a Bachelor's Degree in Arts and a Bachelor's Degree in Laws from the Australian National University in Australia and a Master's Degree in Laws from the University of Sydney in Australia. He has been an advisor to companies in the mining and resources industry for more than 35 years. He is a former partner with the law firm now called King & Wood Mallesons. He is a former director of Ban-Pu Australia Pty Ltd, Oakbridge Pty Ltd and Bond University Limited and was a member of the Australian Government's International Legal Advisory Committee for the term of its programme. He has held directorships in a number of companies listed on the Australian Securities Exchange, including Emperor Mines Limited, RIMCapital Limited (Chairman), eStar Online Trading Limited, Energy World Corporation Limited, CBH Resources Limited, Orion Petroleum Limited (Chairman) and Mount Gibson (Alternate Director). He is currently an independent director of Living Cell Technologies Limited (Stock Code: LCT). He was a non-executive director of ARC Exploration Limited (Stock Code: ARX) between July 2008 and September 2017. These two companies are listed on the Australian Securities Exchange. He is an independent non-executive chairman of Trilogly Funds Management Limited, a Responsible Entity under Australian Law.

Alternate director to Mr. Arthur George Dew

Mr. Wong Tai Chun, Mark (王大鈞), aged 54, was appointed as an alternate director to Mr. Arthur George Dew on 1 March 2016. Mr. Wong holds various directorships in subsidiaries of the Company. Mr. Wong has a Master's Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Mr. Wong was the financial controller of other listed companies in Hong Kong. He is currently an executive director of each of APL (Stock Code: 56) and SHK HK IND (Stock Code: 666), the director of investment of AGL (Stock Code: 373) and an alternate director to Mr. Arthur George Dew in Dragon Mining (Stock Code: 1712), Tanami Gold (Stock Code: TAM) and Tian An Australia (Stock Code: TIA). APL, SHK HK IND, AGL and Dragon Mining are companies listed on the main board of the Stock Exchange. Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange.

Mr. Wong is a director of APL, which through its subsidiary, is deemed to be interested in, for the purpose of the SFO, 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company as at the Latest Practicable Date.

Biographies of the senior management of the Company

Mr. Brett Robert Smith (*Deputy Chairman*)

Biographical details of Mr. Brett Robert Smith are set out in the paragraph headed "Directors and Senior Management of the Company — Biographies of the Directors" in this appendix.

Mr. Andrew Charles Ferguson (*Chief Executive Officer*)

Biographical details of Mr. Andrew Charles Ferguson are set out in the paragraph headed “Directors and Senior Management of the Company — Biographies of the Directors” in this appendix.

Ms. Tam Kit Ling (譚潔玲) (*Chief Financial Officer*)

Ms. Tam Kit Ling, aged 53, joined the Company in July 2016 as the Chief Financial Officer. Ms. Tam is also a supervisor of certain subsidiaries of the Company. She has over 29 years of experience in finance and accounting with international businesses and listed companies in Hong Kong. Ms. Tam holds a Bachelor’s Degree in Laws and is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Ms. Tam did not hold any directorship in listed public companies in Hong Kong or overseas during the past three years.

4. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the interests of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and Underlying Shares

Name of Director	Capacity in which interests are held	Number of Shares/ underlying Shares held		Approximate percentage of shareholding (Note 1)
		Interests in Shares	Total interests	
Mr. Lee Seng Hui	Other interests	291,114,676 (Note 2)	291,114,676	35.82%

Notes:

- The percentage of shareholding is calculated on the basis of the Company’s issued share capital of 812,595,943 Shares as at the Latest Practicable Date.

2. Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controls approximately 74.95% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and is therefore deemed to be interested in 291,114,676 Shares in which AGL is deemed to be interested through a wholly-owned subsidiary of APL, its 74.99%-owned subsidiary.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and their respective associates had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the following Directors were directors of companies which had an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Messrs. Lee Seng Hui and Arthur George Dew are directors of APL and Mr. Wong Tai Chun, Mark, alternate director to Mr. Arthur George Dew, is a director of APL. APL, through its subsidiary, is deemed to be interested in, for the purpose of the SFO, 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company.
- (b) Messrs. Lee Seng Hui and Arthur George Dew are directors of AGL. APL is a non wholly-owned subsidiary of AGL. Accordingly, AGL is also deemed to be interested in, for the purpose of the SFO, 291,114,676 Shares, representing approximately 35.82% of the total issued share capital of the Company.
- (c) Mr. So Kwok Hoo is a director of Shougang Fushan which, through its wholly-owned subsidiary, is deemed to be interested in, for the purpose of the SFO, 143,400,000 Shares, representing approximately 17.64% of the total issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed directors of the Company (if any) was a director or employee of a company which had any interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, persons other than a Director or chief executives of the Company who had, or were deemed to have, interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register maintained by the Company pursuant to section 336 of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, were as follows:

Long positions in the Shares and Underlying Shares

Name of Shareholders	Capacity in which interests are held	Number of Shares/ underlying Shares held		Approximate percentage of shareholding (Note 1)
		Interests in Shares	Total interests	
Shougang Fushan	Interest of a controlled corporation (Note 2)	143,400,000	143,400,000	17.64%
APL	Interest of a controlled corporation (Note 3)	291,114,676	291,114,676	35.82%
AGL	Interest of a controlled corporation (Note 5)	291,114,676	291,114,676 (Note 4)	35.82%
Lee and Lee Trust	Interest of a controlled corporation (Note 6)	291,114,676	291,114,676 (Note 4)	35.82%

Notes:

- The percentage of shareholding is calculated on the basis of the Company's issued share capital of 812,595,943 Shares as at the Latest Practicable Date.
- These shares are held by Benefit Rich Limited ("**Benefit Rich**"), a wholly-owned subsidiary of Shougang Fushan. Accordingly, Shougang Fushan is deemed to have an interest in the Shares in which Benefit Rich is interested.
- The interests include 291,114,676 Shares held by Allied Properties Investments, a wholly-owned subsidiary of Allied Properties Overseas Limited which in turn is a wholly-owned subsidiary of APL. APL is therefore deemed to have an interest in the Shares in which Allied Properties Investments is interested.
- This represents the same interests of APL in 291,114,676 Shares.
- APL is a non wholly-owned subsidiary of AGL. AGL is therefore deemed to have an interest in the Shares in which APL is interested.
- Mr. Lee Seng Hui, Director, together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controls approximately 74.95% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and is therefore deemed to have an interest in the Shares in which AGL is interested through APL.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, the Company had not been notified of any other interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register maintained by the Company pursuant to section 336 of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with the Company or any other member of the Group which was not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

7. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, the Directors were materially interested, directly or indirectly, in the following contracts or arrangements entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group:

As disclosed in the announcements of the Company dated 24 May 2016 and 1 September 2017, on 24 May 2016 and 1 September 2017, APAC Resources Treasury Management Limited, a wholly-owned subsidiary of the Company, subscribed for US\$4.0 million of the five-year guaranteed 4.75% note due 31 May 2021 (the “**SHK Loan Note I**”) and US\$2.5 million of the five-year guaranteed 4.65% note due 8 September 2022 (the “**SHK Loan Note II**”) respectively both issued by Sun Hung Kai & Co. (BVI) Limited (“**SHK BVI**”) and guaranteed by Sun Hung Kai & Co. Limited (“**SHK**”). SHK BVI is a wholly-owned subsidiary of SHK.

Mr. Lee Seng Hui, a non-executive Director, is one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, controls approximately 74.95% interests in the total number of issued shares of AGL, which in turn owns approximately 74.99% of the total number of issued shares of APL, and which in turn indirectly owns approximately 35.82% of the total number of issued shares of the Company as at the Latest Practicable Date. Since APL indirectly owns approximately 61.47% interests in the total number of issued shares of SHK as at the Latest Practicable Date, Mr. Lee is deemed to be interested in the subscriptions of the SHK Loan Note I and the SHK Loan Note II.

Mr. Chang Chu Fai, Johnson Francis, an independent non-executive Director, has also subscribed for certain notes in the SHK Loan Note I programme in his personal capacity and was therefore interested in the subscription of the SHK Loan Note I.

Save as disclosed above, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

8. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, the following Directors (not being the independent non-executive Directors) were considered to have interests in the businesses listed below which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

- (a) Mr. Arthur George Dew is a director of each of AGL and APL and Mr. Wong Tai Chun, Mark, alternate director to Mr. Arthur George Dew, is a director of APL. AGL and APL, through their subsidiaries, are partly engaged in the business of money lending and through certain of their subsidiaries and close associates, are partly involved in the investment and trading in securities in the resources and related industries and financial instruments;
- (b) Mr. Lee Seng Hui is a director of each of AGL, APL and Tian An, and also one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, APL, SHK, SHK HK IND and Tian An which, through their subsidiaries and close associates, are partly engaged in the businesses as follows:
 - AGL and APL, through their subsidiaries, are partly engaged in the business of money lending and through certain of their subsidiaries and close associates, are partly involved in the investment and trading in securities in the resources and related industries and financial instruments;
 - SHK, through certain of its subsidiaries, is partly engaged in the business of money lending;

- SHK HK IND, through certain of its subsidiaries, is partly engaged in the trading in listed securities and investment in bonds; and
 - Tian An, through certain of its subsidiaries, is partly engaged in the business of money lending;
- (c) Mr. Lee Seng Hui is a director of Mount Gibson and Mr. Andrew Ferguson is an alternate director to Mr. Lee Seng Hui in Mount Gibson which, through certain of its subsidiaries, is partly involved in the investment and trading in listed securities in the resources and related industries; and
- (d) Mr. Arthur George Dew and Mr. Wong Tai Chun, Mark are both directors of SHK HK IND which, through certain of its subsidiaries, is partly engaged in the trading in listed securities and investment in bonds.

Although the above-mentioned Directors have competing interests in other companies by virtue of their respective common directorship or shareholding, they will fulfil their fiduciary duties in order to ensure that they will act in the best interests of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, none of the Directors or their respective close associates were interested in any business apart from the Group's businesses, which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

9. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this Prospectus, and up to the Latest Practicable Date:

- (a) the Irrevocable Undertaking; and
- (b) the Underwriting Agreement.

11. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert whose name, opinions and/or reports are contained in this Prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and references thereto and to its name in the form and context in which they are included.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

12. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office:	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Head office and principal place of business:	Room 2304, 23rd Floor Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong
Underwriter:	Morton Securities Limited Rooms 1804-1805 18th Floor, Allied Kajima Building 138 Gloucester Road, Wanchai Hong Kong
Legal advisers to the Company:	<i>As to Australian law:</i> Addisons Level 12, 60 Carrington Street Sydney New South Wales 2000 Australia <i>As to Bermudan law:</i> Conyers Dill & Pearman 29th Floor, One Exchange Square 8 Connaught Place, Central Hong Kong <i>As to Hong Kong law:</i> P. C. Woo & Co. 12th Floor, Prince's Building 10 Chater Road Central Hong Kong
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue:	P. C. Woo & Co. 12th Floor, Prince's Building 10 Chater Road Central Hong Kong

Auditor and reporting accountants:	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> 35th Floor, One Pacific Place 88 Queensway Hong Kong
Principal bankers:	Bank of China (Hong Kong) Limited 9th Floor, Bank of China Tower 1 Garden Road Hong Kong Bank of Communications Co., Ltd. Hong Kong Branch 16th Floor, Lee Garden Five 18 Hysan Avenue Causeway Bay Hong Kong DBS Bank (Hong Kong) Limited Unit 1201, 1210-18 12th Floor, Mira Place Tower A 132 Nathan Road Tsimshatsui Kowloon Industrial and Commercial Bank of China (Asia) Limited 29th Floor, ICBC Tower 3 Garden Road Central Hong Kong OCBC Wing Hang Bank Limited 2nd Floor, 161 Queen's Road Central Hong Kong
Principal share registrar and transfer office:	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
Hong Kong branch share registrar and transfer office:	Tricor Secretaries Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong

**Authorised
representatives:**

Mr. Andrew Charles Ferguson
Room 2304, 23rd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Ms. Lau Tung Ni
Room 2304, 23rd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Company secretary:

Ms. Lau Tung Ni
*Fellow member of The Institute of Chartered Secretaries
and Administrators and The Hong Kong Institute of
Chartered Secretaries*

13. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed "Expert's qualification and consent" in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance.

15. MISCELLANEOUS

- (a) the business address of all Directors and senior management is Room 2304, 23rd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong;
- (b) as at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong; and
- (c) this Prospectus and the other Prospectus Documents are prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail over its Chinese text unless otherwise specified.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company's principal place of business in Hong Kong at Room 2304, 23rd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. to 5:30 p.m. on any weekday (except public holidays) from the date of this Prospectus up to and including the date which is 14 days from the date of this Prospectus:

- (a) the memorandum of association and bye-laws of the Company;
- (b) annual reports of the Group for the financial years ended 30 June 2017 and 2018 and the interim report of the Group for the six months ended 31 December 2018;
- (c) the independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information of the Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this Prospectus;
- (d) the material contracts referred to under "Material contracts" in this appendix;
- (e) the written consent referred to under "Expert's qualification and consent" in this appendix;
- (f) all circulars of the Company issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which have been issued since 30 June 2018 (if any); and
- (g) the Prospectus Documents.