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DISCLOSEABLE TRANSACTION

ACQUISITIONS OF SHARES IN METALS X

The Board announces that on 27 September 2019, the Subsidiaries acquired in aggregate 29,816,209 shares in Metals X (representing approximately 3.49% of the total issued share capital of Metals X as at the date of this announcement) through on-market transactions conducted on the ASX and/or the Equity Raising for an aggregate consideration of approximately A\$4,686,000 (equivalent to approximately HK\$24,828,000) (exclusive of transaction costs), representing A\$0.1572 (equivalent to approximately HK\$0.8327) per share.

Prior to the Acquisition, Subsidiary B acquired an aggregate of 21,377,288 shares in Metals X within a 12-month period prior to the date of the Acquisition (representing approximately 2.51% of the total issued share capital of Metals X as at the date of this announcement) through on-market transactions conducted on the ASX for an aggregate consideration of approximately A\$4,255,000 (equivalent to approximately HK\$23,016,000) (exclusive of transaction costs), representing A\$0.1990 (equivalent to approximately HK\$1.0767) per share.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) for the Acquisition does not exceed 5% on a stand-alone basis, the entering of the Acquisition is not subject to disclosure requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratio(s) for the Acquisition, when aggregated with the Previous Acquisition which was conducted within 12 months of the Acquisition, is more than 5% but less than 25%, the Acquisition together with the Previous Acquisition constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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Immediately after completion of the Acquisitions, the Group holds 109,601,068 shares in Metals X, representing approximately 12.84% of the total issued share capital of Metals X.

Metals X, being the issuer in the Equity Raising, is an Independent Third Party. In relation to the acquisition of shares in Metals X which were conducted through the open market, the identity(ies) of the counterparty(ies) of such acquisitions cannot be ascertained by the Group. However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Directors believe that the counterparty(ies) and its/their ultimate beneficial owner(s) in those on-market acquisitions is/are Independent Third Parties.

CONSIDERATION

The aggregate consideration for the Acquisitions is approximately A\$8,941,000 (equivalent to approximately HK\$47,844,000) (exclusive of transaction costs) and shall be fully settled in cash from the Company's internal resources.

The consideration of the Acquisitions were determined by reference to the prevailing trading prices of the shares of Metals X on the ASX at the time of the relevant acquisitions and the price of A\$0.15 per share of Metals X in the Equity Raising.

INFORMATION ON THE COMPANY AND THE GROUP

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.

INFORMATION ON METALS X

Metals X is a company limited by shares incorporated in Australia, the shares of which are listed on the ASX (Stock Code: MLX). Metals X is a diversified resource company. It is Australia's largest tin producer, an Australian copper producer and owns the undeveloped Wingellina Nickel-Cobalt Project.

Based on the audited consolidated financial statements of Metals X, the consolidated net losses before and after taxation for the financial years ended 30 June 2018 and 2019 and the consolidated net assets of Metals X as at 30 June 2018 and 2019 are as follows:

	For the year ended 30 June			
	2019		2018	
	<i>A\$'000</i>	<i>HK\$'000</i>	<i>A\$'000</i>	<i>HK\$'000</i>
Consolidated net loss before taxation	116,969	640,487	26,297	152,573
Consolidated net loss after taxation	116,969	640,487	26,297	152,573

	As at 30 June			
	2019		2018	
	A\$'000	HK\$'000	A\$'000	HK\$'000
Consolidated net assets	101,593	556,293	170,450	988,934

Note: The translation of A\$ into HK\$ is based on the exchange rate of HK\$5.8019 to A\$1 and HK\$5.4757 to A\$1 as at 30 June 2018 and 30 June 2019 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

It is the Group's focus to look for investment opportunities in listed securities globally in the resources sector in both resources investment and primary strategic investment business segments.

The share price of Metals X has deteriorated significantly since its acquisition of Aditya Birla Minerals Limited, which owns the Nifty Copper Mine, in 2016. However, the Board considers there remains significant value in Metals X, primarily in the Renison Tin Mine, with potential upside in Nifty if its problems can be resolved and therefore believes that the acquisition of shares of Metals X is now a worthwhile investment and can enhance the returns on investment for the Company in the long run.

As the Acquisitions were traded at market price and/or equal to the price of A\$0.15 per share of Metals X in the Equity Raising, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) for the Acquisition does not exceed 5% on a stand-alone basis, the entering of the Acquisition is not subject to disclosure requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratio(s) for the Acquisition, when aggregated with the Previous Acquisition which was conducted within 12 months of the Acquisition, is more than 5% but less than 25%, the Acquisition together with the Previous Acquisition constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“A\$”	Australian dollar(s), the lawful currency of Australia;
“Acquisition”	the acquisition of 29,816,209 shares in Metals X in aggregate by the Subsidiaries through on-market transactions conducted on the ASX and/or the Equity Raising on 27 September 2019 for an aggregate consideration of approximately A\$4,686,000 (equivalent to approximately HK\$24,828,000) (exclusive of transaction costs);
“Acquisitions”	the Acquisition and the Previous Acquisition;
“ASX”	the Australian Securities Exchange;
“Board”	the board of Directors;
“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);
“Directors”	the directors of the Company;
“Equity Raising”	the equity raising conducted by Metals X comprising (i) the institutional placement of approximately 103.4 million new shares in Metals X; and (ii) the non-renounceable entitlement offer of approximately 114.8 million new shares in Metals X, as announced by Metals X on 19 September 2019;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Metals X”	Metals X Limited, a company limited by shares incorporated in Australia, the shares of which are listed on the ASX (Stock Code: MLX);
“Previous Acquisition”	the acquisition of 21,377,288 shares in Metals X in aggregate by Subsidiary B through on-market transactions conducted on the ASX within a 12-month period prior to the date of the Acquisition for an aggregate consideration of approximately A\$4,255,000 (equivalent to approximately HK\$23,016,000) (exclusive of transaction costs);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary A”	APAC Resources Strategic Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company;
“Subsidiary B”	APAC Resources Commodity Trading Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company;
“Subsidiaries”	Subsidiary A and Subsidiary B; and
“%”	per cent.

Unless otherwise stated, amount in A\$ have been translated into HK\$ at the exchange rate on the relevant dates of the Acquisition and the Previous Acquisition are of HK\$5.2983 and HK\$5.4092 respectively 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.

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

Hong Kong, 3 October 2019

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*) and 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 and Mr. So Kwok Hoo

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis, Mr. Robert Moyse Willcocks and Mr. Wang Hongqian

* *For identification purpose only*