APAC RESOURCES

# APAC RESOURCES LIMITED

# 亞太資源有限公司*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1104)**

# DISCLOSEABLE TRANSACTION

**ACQUISITION OF SHARES IN ENDEAVOUR**

The Board announces that on 20 August 2024 (Canadian time zone), the Subsidiary acquired in aggregate 50,000 shares in Endeavour (representing approximately 0.02% of the total issued share capital of Endeavour as at the date of this announcement) through on-market transactions conducted on the TSX at a consideration of approximately CAD1,461,933 (equivalent to approximately HK$8,349,000) (exclusive of transaction costs), representing approximately CAD29.24 (equivalent to approximately HK$166.98) per share.

Prior to the Acquisition, the Subsidiary acquired an aggregate of 410,000 shares in Endeavour within a 12-month period prior to the date of the Acquisition (representing approximately 0.17% of the total issued share capital of Endeavour as at the date of this announcement) through on-market transactions conducted on the TSX for an aggregate consideration of approximately CAD11,581,772 (equivalent to approximately HK$66,674,000) (exclusive of transaction costs), representing approximately CAD28.25 (equivalent to approximately HK$162.62) per share.

**LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) for the Acquisition does not exceed 5% on a stand-alone basis, 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 Acquisitions which were conducted within 12 months of the Acquisition, is more than 5% but all are less than 25%, the Acquisition together with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## ACQUISITION OF SHARES IN ENDEAVOUR

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After the Acquisitions, the Group holds 460,000 shares in Endeavour, representing approximately 0.19% of the total issued share capital of Endeavour as at the date of this announcement.

As the Acquisitions were conducted through the open market, the identity(ies) of the counterparty(ies) of the 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 the Acquisitions is/are Independent Third Parties.

## CONSIDERATION

The aggregate consideration for the Acquisitions is approximately CAD13,043,705 (equivalent to approximately HK$75,023,000) (exclusive of transaction costs) and shall be/have been (as the case may 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 Endeavour on the TSX at the time of the relevant acquisitions.

## 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 ENDEAVOUR

Endeavour is a gold mining company that operates four mines in West Africa in addition to having project development and exploration assets. Endeavour is focused on effectively managing its existing assets to maximise cash flows as well as pursuing organic and strategic growth opportunities that benefit from its management and operational expertise. Endeavour's shares are also listed on the London Stock Exchange and quoted in the United States.

Based on the audited consolidated financial statements of Endeavour, the consolidated net profit before and after taxation from continuing operations for the financial years ended 31 December 2023 and 2022 and the consolidated net assets of Endeavour as at 31 December 2023 and 2022 are as follows:

| | **For the year ended 31 December** | | | |
|---|---|---|---|---|
| | **2023** | | **2022** | |
| | *USD Million* | *HK$ Million* | *USD Million* | *HK$ Million* |
| Consolidated net profit before taxation from continuing operations | 253.5 | 1,980.8 | 507.1 | 3,954.2 |
| Consolidated net profit after taxation from continuing operations | 42.7 | 333.6 | 256.8 | 2,002.4 |

| | **As at 31 December** | | | |
|---|---|---|---|---|
| | **2023** | | **2022** | |
| | *USD Million* | *HK$ Million* | *USD Million* | *HK$ Million* |
| Consolidated net assets | 3,548.3 | 27,725.1 | 4,087.3 | 31,871.5 |

According to the unaudited financial information of Endeavour as at 30 June 2024, Endeavour had net assets of approximately USD3,278.3 million (equivalent to approximately HK$25,594.0 million).

*Note:* The translation of USD into HK$ is based on the exchange rate of USD1 to HK$7.8071, USD1 to HK$7.81362 and USD1 to HK$7.79768 as at 30 June 2024, 31 December 2023 and 31 December 2022 respectively.

## REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Endeavour is focused on West African gold production, where it operates a diversified portfolio of operating mines with a strong project pipeline. Given the company's high-quality assets plus strong track record of execution and growth, it is considered a premium African gold vehicle. The share price has underperformed so far in 2024 (+0% against Van Eck Gold Miners ETF +27% and physical gold +22%) given various management changes, however, the new leadership team is also credible. Endeavour has also just finished two large growth projects at Sabodala-Massawa and Lafigue on time and budget. As these projects ramp up, the company's cash generation should inflect sharply higher and the gold price continues to make new all-time highs around USD2,500 per ounce, which will further increase Endeavour's revenues and profitability. Therefore, the Directors believe the Acquisitions are attractive investments and can enhance the returns on investment of the Company.

As the Acquisitions were traded at market price, 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 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 Acquisitions which were conducted within 12 months of the Acquisition, is more than 5% but all are less than 25%, the Acquisition together with the Previous Acquisitions 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:

| | |
|---|---|
| "Acquisition" | the acquisition of 50,000 shares in Endeavour in aggregate by the Subsidiary through on-market transactions conducted on the TSX on 20 August 2024 (Canadian time zone) for an aggregate consideration of approximately CAD1,461,933 (equivalent to approximately HK$8,349,000) (exclusive of transaction costs); |
| "Acquisitions" | the Acquisition and the Previous Acquisitions; |
| "Board" | the board of Directors; |
| "CAD" | Canadian dollar(s), the lawful currency of Canada; |
| "Company" | APAC Resources Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1104); |
| "Directors" | the directors of the Company; |
| "Endeavour" | Endeavour Mining Plc, a company listed on the TSX (Stock Code: EDV); |
| "Group" | the Company and its subsidiaries; |
| "HK$" | 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; |
| "Previous Acquisitions" | the acquisitions of 410,000 shares in Endeavour in aggregate by the Subsidiary through on-market transactions conducted on the TSX within a 12-month period prior to the date of the Acquisition for an aggregate consideration of approximately CAD11,581,772 (equivalent to approximately HK$66,674,000) (exclusive of transaction costs); |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited; |
| "Subsidiary" | APAC Resources Commodity Trading Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company; |
| "TSX" | Toronto Stock Exchange; |
| "USD" | United States dollar(s), the lawful currency of the United States of America; and |
| "%" | per cent. |

*Unless otherwise stated, amounts in CAD have been translated into HK$ at the exchange rate on the relevant dates of the Acquisition and the Previous Acquisitions at HK$5.71093 and HK$5.75681 respectively to CAD1 for illustration purpose only. No representation has been made that any amount in CAD or HK$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.*

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

Hong Kong, 21 August 2024

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

*Executive Director*
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 Ms. Lam Lin Chu

*Independent Non-Executive Directors*
Dr. Wong Wing Kuen, Albert, Mr. Wang Hongqian and Mr. Kelvin Chau Kwok Wing

* *For identification purpose only*