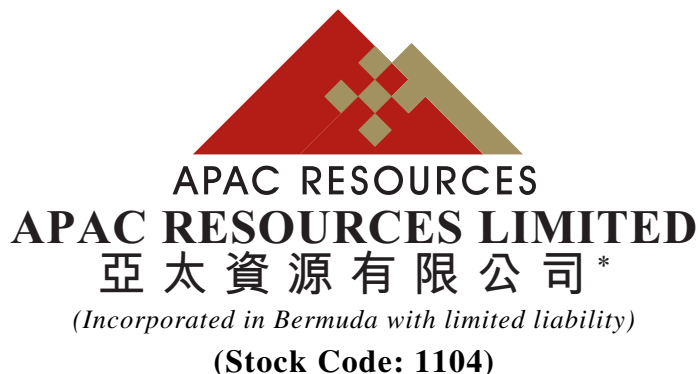


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DISCLOSEABLE TRANSACTION ACQUISITION OF CONVERTIBLE BONDS

On 30 October 2017, the Purchaser (a wholly-owned subsidiary of the Company) as the purchaser entered into the Sale and Purchase Agreement with the Vendor as the vendor, the Company as the Purchaser's guarantor and the Listed Company as the Vendor's guarantor, pursuant to which, the Purchaser has agreed to, among other things, acquire the Convertible Bonds on the terms and subject to the conditions therein.

LISTING RULES IMPLICATIONS

As the Purchaser is a wholly-owned subsidiary of the Company, the Acquisition entered into by the Purchaser shall be a deemed transaction of the Company under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries. The Acquisition constitutes a discloseable transaction for the Company on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

INTRODUCTION

On 30 October 2017, the Purchaser (a wholly-owned subsidiary of the Company) as the purchaser entered into the Sale and Purchase Agreement with the Vendor as the vendor, the Company as the Purchaser's guarantor and the Listed Company as the Vendor's guarantor, pursuant to which, the Purchaser has agreed to, among other things, acquire the Convertible Bonds on the terms and subject to the conditions therein.

THE SALE AND PURCHASE AGREEMENT

Date: 30 October 2017

Parties:

- (1) the Purchaser as the purchaser for the Sale and Purchase Agreement;
- (2) the Vendor as the vendor for the Sale and Purchase Agreement;
- (3) the Company as the Purchaser's guarantor for the Sale and Purchase Agreement; and
- (4) the Listed Company as the Vendor's guarantor for the Sale and Purchase Agreement

To the best knowledge, information and belief of the Directors having made all reasonable enquiries and based on the confirmation of the Vendor, the Vendor, the Listed Company and their respective ultimate beneficial owner(s) are all third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to purchase the Convertible Bonds in the principal amount of HK\$110,000,000 from the Vendor.

Consideration

The Consideration payable by the Purchaser to the Vendor under the Sale and Purchase Agreement shall be the aggregate of (a) HK\$110,000,000 which has been received by the Vendor on the date of the Sale and Purchase Agreement by way of cashier's orders; and additionally (b) in the event the conversion right of any Convertible Bonds is exercised, HK\$0.36 per Conversion Share so converted payable on the date of such exercise by way of cash.

Completion

Upon signing of the Sale and Purchase Agreement, the Vendor has, among others, completed the transfer of the Convertible Bonds to the Purchaser in accordance with the terms and conditions of the Convertible Bonds.

Guarantee

The Company has agreed to guarantee unconditionally and irrevocably the due and punctual observance and performance of all the agreements, obligations, commitments and undertakings of the Purchaser under the Sale and Purchase Agreement.

The Listed Company has agreed to guarantee unconditionally and irrevocably the due and punctual observance and performance of all the agreements, obligations, commitments and undertakings of the Vendor under the Sale and Purchase Agreement.

INFORMATION ON THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are as follows:

Issuer:	FDG Kinetic 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: 378)
Principal amount:	HK\$110,000,000
Conversion price:	HK\$0.34 per Conversion Share as at the date of this announcement, subject to adjustments arising from, among others, share consolidation or subdivision, capitalization of profits or reserves, capital distribution and further issue of shares as provided in the terms and conditions of the Convertible Bonds
Denomination:	HK\$10,000,000 each
Interest rate:	8% per annum payable annually in arrears within 7 business days of each anniversary of the issue date before the maturity date and on the maturity date
Maturity date:	On the third anniversary from the issue date, i.e. 4 August 2018

Conversion: Holders of the Convertible Bonds may convert the whole or any part (in the authorized denominations) of the outstanding principal amount of their Convertible Bonds into Conversion Shares at any time after the issuance of the Convertible Bonds or from 1st September 2015 (whichever is later) until the expiry of the maturity date at the conversion price.

No conversion right may be exercised to the extent that following such exercise, a holder of the Convertible Bonds and parties acting in concert with it, taken together, will trigger a general offer under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers or will cause the Issuer to be in breach of the minimum public float requirement under the Listing Rules.

Conversion Shares: On the basis of the conversion price as at the date hereof, a total of 323,529,411 Conversion Shares will be issued upon full conversion of the Convertible Bonds

Transferability: The Convertible Bonds may be transferred to any third party

REASONS FOR AND BENEFITS OF THE ACQUISITION

The terms of the Sale and Purchase Agreement, including the Consideration, were arrived at after arm's length negotiations between the Purchaser and the Vendor.

The Acquisition forms part of the Group's principal investment and financial services business and will provide an attractive yield return for the Group.

In view of the above, the Directors are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and the Acquisition is fair and reasonable, and in the interests of the Company and its shareholders taken as a whole.

INFORMATION ABOUT THE COMPANY, THE PURCHASER, THE VENDOR AND THE LISTED COMPANY

The Company

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 Purchaser

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company. The principal business activity of the Purchaser is treasury management.

The Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is an indirectly wholly-owned subsidiary of the Listed Company. The principal business activity of the Vendor is investment holding.

The Listed Company

The Listed 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 Listed Company's principal business is automobile manufacturing and its related business.

LISTING RULES IMPLICATIONS

As the Purchaser is a wholly-owned subsidiary of the Company, the Acquisition entered into by the Purchaser shall be a deemed transaction of the Company under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules shall include the listed issuer’s subsidiaries. The Acquisition constitutes a discloseable transaction for the Company on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

DEFINITIONS

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

“Acquisition”	the acquisition of the Convertible Bonds under the Sale and Purchase Agreement;
“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);
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement;
“Conversion Shares”	ordinary shares in the capital of the Issuer to be issued upon conversion of the Convertible Bonds;
“Convertible Bonds”	the 8% convertible bonds due 2018 in the principal amount of HK\$110,000,000 issued by the Issuer and registered in the name of the Vendor immediately before the signing of the Sale and Purchase Agreement;

“Directors”	directors of the Company;
“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;
“Issuer”	FDG Kinetic 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: 378);
“Listed Company”	a company listed on the main board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“Purchaser”	APAC Resources Treasury Management Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 October 2017 entered into between the Purchaser as the purchaser, the Vendor as the vendor, the Company as the Purchaser’s guarantor and the Listed Company as the Vendor’s guarantor, relating to the sale and purchase of the Convertible Bonds;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Vendor” the vender under the Sale and Purchase Agreement; and

“%” per cent.

On behalf of the Board
APAC Resources Limited
Arthur George Dew
Chairman

Hong Kong, 30 October 2017

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 and Mr. Robert Moyse Willcocks

* *For identification purpose only*