

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 this announcement.



APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

INSIDE INFORMATION AND PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Group for the 1H 2019 Period and the information currently available, it is expected to record a loss attributable to the Shareholders as compared to the profit attributable to the Shareholders of approximately HK\$478 million for the 1H 2018 Period.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by APAC Resources Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2018 (the “**1H 2019 Period**”) and the information currently available, the interim results of the Group for the 1H 2019 Period are expected to record a loss attributable to the Shareholders as compared to the profit attributable to the Shareholders of approximately HK\$478 million for the six months ended 31 December 2017 (the “**1H 2018 Period**”).

The expected loss attributable to the Shareholders for the 1H 2019 Period is mainly attributable to (i) the unrealised fair value losses recognised in respect of the Group's listed and unlisted equity securities (which were previously classified as available-for-sale investments); and (ii) the losses incurred for the resource investment segment primarily due to the downturn of global stock market in the second half of 2018 and uncertainty around China/US trade talk resolution.

The Group has applied the new Hong Kong Financial Reporting Standard 9 "Financial Instruments" ("**HKFRS 9**") for the first time in the current financial year. Listed and unlisted equity securities previously classified as available-for-sale investments and carried at fair value will continue to be measured at fair value but with the subsequent fair value gains or losses recognised directly in the profit or loss for the first time in the 1H 2019 Period whilst in prior years (prior to the application of HKFRS 9), all these fair value gains or losses were first recognised in the other comprehensive income and recycled from investment revaluation reserve to the profit or loss only upon impairment or disposal of such equity securities.

The information contained in this announcement is only based on the preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the 1H 2019 Period and the information currently available, which are still under finalisation and subject to the review by the auditor of the Company. The interim results announcement of the Company for the 1H 2019 Period is expected to be released on 25 February 2019.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 23 January 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 and Mr. Robert Moyse Willcocks

** For identification purpose only*