

*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**  
**APAC RESOURCES LIMITED**  
**亞太資源有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1104)**

**DISCLOSEABLE TRANSACTION**

**DISPOSAL OF SHARES IN CANADIAN NATURAL RESOURCES**

The Board announces that on 14 May 2020 (Canadian time zone), the Subsidiary disposed in aggregate 90,000 shares in Canadian Natural Resources (representing approximately 0.008% of the total issued share capital of Canadian Natural Resources as at the date of this announcement) through on-market transactions conducted on the TSX for an aggregate consideration of approximately C\$2,049,000 (equivalent to approximately HK\$11,380,000) (exclusive of transaction costs), representing approximately C\$22.77 (equivalent to approximately HK\$126.44) per share.

Prior to the Disposal, the Subsidiary disposed an aggregate of 129,100 shares in Canadian Natural Resources within a 12-month period prior to the date of the Disposal (representing approximately 0.011% of the total issued share capital of Canadian Natural Resources as at the date of this announcement) through on-market transactions conducted on the TSX for an aggregate consideration of approximately C\$2,514,000 (equivalent to approximately HK\$14,159,000) (exclusive of transaction costs), representing approximately C\$19.47 (equivalent to approximately HK\$109.67) per share.

**LISTING RULES IMPLICATIONS**

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

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

## **DISPOSAL OF SHARES IN CANADIAN NATURAL RESOURCES**

The Board announces that on 14 May 2020 (Canadian time zone), the Subsidiary disposed in aggregate 90,000 shares in Canadian Natural Resources (representing approximately 0.008% of the total issued share capital of Canadian Natural Resources as at the date of this announcement) through on-market transactions conducted on the TSX for an aggregate consideration of approximately C\$2,049,000 (equivalent to approximately HK\$11,380,000) (exclusive of transaction costs), representing approximately C\$22.77 (equivalent to approximately HK\$126.44) per share.

Prior to the Disposal, the Subsidiary disposed an aggregate of 129,100 shares in Canadian Natural Resources within a 12-month period prior to the date of the Disposal (representing approximately 0.011% of the total issued share capital of Canadian Natural Resources as at the date of this announcement) through on-market transactions conducted on the TSX for an aggregate consideration of approximately C\$2,514,000 (equivalent to approximately HK\$14,159,000) (exclusive of transaction costs), representing approximately C\$19.47 (equivalent to approximately HK\$109.67) per share.

After the Disposals, the Group did not hold any shares in Canadian Natural Resources as at the date of this announcement.

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

## **CONSIDERATION**

The aggregate consideration for the Disposals is approximately C\$4,563,000 (equivalent to approximately HK\$25,539,000) (exclusive of transaction costs) and shall be/have been (as the case may be) fully settled in cash by the purchasers.

The consideration of the Disposals were determined by reference to the prevailing trading prices of the shares of Canadian Natural Resources on the TSX at the time of the relevant disposals.

## **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 CANADIAN NATURAL RESOURCES

Canadian Natural Resources is a company governed by the Canada Business Corporations Act, the shares of which are listed on the TSX and New York Stock Exchange. Canadian Natural Resources is an upstream oil and gas operator with a portfolio of assets in North America, the United Kingdom North Sea and Offshore Africa. It is the largest producer of heavy crude oil in Canada, and also produces a mix of natural gas, light crude oil, bitumen and synthetic crude oil. Its key assets are the Horizon Oil Sands and the Athabasca Oil Sands Project, which make up nearly half of its oil production.

Based on the audited consolidated financial statements of Canadian Natural Resources, the consolidated net profit before and after taxation for the financial years ended 31 December 2018 and 2019 and the consolidated net assets of Canadian Natural Resources as at 31 December 2018 and 2019 are as follows:

	<b>For the year ended 31 December</b>			
	<b>2019</b>		<b>2018</b>	
	<i>C\$ million</i>	<i>HK\$ million</i>	<i>C\$ million</i>	<i>HK\$ million</i>
Consolidated net profit before taxation	4,956	29,569	3,522	20,241
Consolidated net profit after taxation	5,416	32,314	2,591	14,890

  

	<b>As at 31 December</b>			
	<b>2019</b>		<b>2018</b>	
	<i>C\$ million</i>	<i>HK\$ million</i>	<i>C\$ million</i>	<i>HK\$ million</i>
Consolidated net assets	34,991	208,770	31,974	183,751

*Note:* The translation of C\$ into HK\$ is based on the exchange rate of HK\$5.7469 to C\$1 and HK\$5.9664 to C\$1 as at 31 December 2018 and 31 December 2019 respectively.

## FINANCIAL EFFECTS OF THE DISPOSALS

Based on the consideration of the Disposals of approximately C\$4,563,000 (equivalent to approximately HK\$25,539,000), the carrying value of shares of Canadian Natural Resources held by the Group at the beginning of the financial year ending 30 June 2020 of the Company and the costs of acquiring the shares of Canadian Natural Resources during the year, it is expected that the Group will record a profit of approximately HK\$735,000 from the Disposals (exclusive of transaction costs) in the current year income statement. The actual amount of profit as a result of the Disposals to be recorded by the Group will be subject to the review and final audit by the auditors of the Company.

The proceeds from the Disposals will be used as working capital of the Group.

## **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Company is taking the opportunity to reduce its exposure in Canadian Natural Resources after the recent improvement in the share price of Canadian Natural Resources. This is also part of a continuous process, whereby the Company actively manages its overall portfolio risk.

As the Disposals were traded at market price, the Directors (including the independent non-executive Directors) are of the view that the Disposals 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 Disposal does not exceed 5% on a stand-alone basis, the Disposal is not subject to disclosure requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratio(s) for the Disposal, when aggregated with the Previous Disposals which were conducted within 12 months of the Disposal, is more than 5% but less than 25%, the Disposal together with the Previous Disposals 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:

“Board”	the board of Directors;
“C\$”	Canadian dollar(s), the lawful currency of Canada;
“Canadian Natural Resources”	Canadian Natural Resources Limited, a company governed by the Canada Business Corporations Act, the shares of which are listed on the TSX and New York Stock Exchange (Stock Code: CNQ);
“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;
“Disposal”	the disposal of 90,000 shares in Canadian Natural Resources in aggregate by the Subsidiary through on-market transactions conducted on the TSX on 14 May 2020 (Canadian time zone) for an aggregate consideration of approximately C\$2,049,000 (equivalent to approximately HK\$11,380,000) (exclusive of transaction costs);

“Disposals”	the Disposal and the Previous Disposals;
“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 Disposals”	the disposal of 129,100 shares in Canadian Natural Resources in aggregate by the Subsidiary through on-market transactions conducted on the TSX within a 12-month period prior to the date of the Disposal for an aggregate consideration of approximately C\$2,514,000 (equivalent to approximately HK\$14,159,000) (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”	the Toronto Stock Exchange; and
“%”	per cent.

*Unless otherwise stated, amounts in C\$ have been translated into HK\$ at the exchange rate on the relevant dates of the Disposal and the Previous Disposals at HK\$5.5539 and HK\$5.6321 respectively to C\$1 for illustration purpose only. No representation has been made that any amount in C\$ 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, 15 May 2020

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. Wang Hongqian

\* *For identification purpose only*