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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 WESTGOLD

The Board announces that on 26 June 2020, the Subsidiary disposed in aggregate 223,473 shares in Westgold (representing approximately 0.05% of the total issued share capital of Westgold as at the date of this announcement) through on-market transactions conducted on the ASX for an aggregate consideration of approximately A\$503,000 (equivalent to approximately HK\$2,685,000) (exclusive of transaction costs), representing approximately A\$2.25 (equivalent to approximately HK\$12.01) per share.

Prior to the Disposal, the Subsidiary disposed an aggregate of 12,135,525 shares in Westgold within a 12-month period prior to the date of the Disposal (representing approximately 2.89% of the total issued share capital of Westgold as at the date of this announcement) through on-market transactions conducted on the ASX for an aggregate consideration of approximately A\$27,353,000 (equivalent to approximately HK\$140,767,000) (exclusive of transaction costs), representing approximately A\$2.25 (equivalent to approximately HK\$11.60) 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.

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After the Disposals, the Group holds 6,594,788 shares in Westgold, representing approximately 1.57% of the total issued share capital of Westgold 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 A\$27,856,000 (equivalent to approximately HK\$143,452,000) (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 Westgold on the ASX 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 WESTGOLD

Westgold is a company limited by shares incorporated in Australia, the shares of which are listed on the ASX (Stock Code: WGX). The principal business activities of Westgold is the exploration, development and operation of gold mines.

Based on the audited consolidated financial statements of Westgold, the consolidated net profit or loss before and after taxation from continuing operations and consolidated net profit or loss for the year for the financial years ended 30 June 2019 and 2018 and the consolidated net assets of Westgold as at 30 June 2019 and 2018 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 profit (loss) before taxation from continuing operations	12,680	69,432	(40,915)	(237,385)
Consolidated net profit (loss) after taxation from continuing operations	13,487	73,851	(31,906)	(185,115)
Consolidated net profit (loss) for the year	14,130	77,372	(1,171)	(6,794)
	As at 30 June			
	2019		2018	
	<i>A\$'000</i>	<i>HK\$'000</i>	<i>A\$'000</i>	<i>HK\$'000</i>
Consolidated net assets	443,486	2,428,396	405,816	2,354,504

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

FINANCIAL EFFECTS OF THE DISPOSALS

Based on the consideration of the Disposals of approximately A\$27,856,000 (equivalent to approximately HK\$143,452,000) and the carrying value of shares of Westgold held by the Group at the beginning of the financial year ending 30 June 2020 of the Company, it is expected that the Group will record a profit of approximately HK\$18,497,000 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

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 Group will from time to time adjust its investment portfolio having considered, among other things, the prospect, trading price and volume of the shares of such investee company, and the timing of realising profits of its investment by disposing the Group's shareholding in the investee company.

The selling price of A\$2.25 per share of Westgold in the Disposals represents a 20% increase from the closing price of Westgold as at 30 June 2019 of A\$1.875 per share. Having considered the recent increase in the market trading price of Westgold, the Company considers that the Disposals are attractive opportunities to realise part of its shareholding in Westgold.

The Company maintains its view that market for certain commodities are positive and considers that further investment in the sector should yield enhanced returns for the Company and its shareholders and is positive for long term development of the Group. The proceeds from the Disposals will enhance the Group's financial resources in anticipation of any future business opportunities in the sector.

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:

“A\$”	Australian dollar(s), the lawful currency of Australia;
“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;
“Disposal”	the disposal of 223,473 shares in Westgold in aggregate by the Subsidiary through on-market transactions conducted on the ASX on 26 June 2020 for an aggregate consideration of approximately A\$503,000 (equivalent to approximately HK\$2,685,000) (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 12,135,525 shares in Westgold in aggregate by the Subsidiary through on-market transactions conducted on the ASX within a 12-month period prior to the date of the Disposal for an aggregate consideration of approximately A\$27,353,000 (equivalent to approximately HK\$140,767,000) (exclusive of transaction costs);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	APAC Resources Strategic Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company;

“Westgold” Westgold Resources Limited, a company limited by shares incorporated in Australia, the shares of which are listed on the ASX (Stock Code: WGX); and

“%” per cent.

Unless otherwise stated, amounts in A\$ have been translated into HK\$ at the exchange rate on the relevant dates of the Disposal and the Previous Disposals at HK\$5.3380 and HK\$5.1463 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, 26 June 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 Ms. Lam Lin Chu

Independent Non-Executive Directors

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

* *For identification purpose only*