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## **APAC RESOURCES LIMITED**

**亞太資源有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1104)**

### **DISCLOSEABLE TRANSACTION**

The Board announces that APAC Resources Capital Limited, a wholly-owned subsidiary of the Company, has acquired in aggregate 16,829,032 shares in Mount Gibson through on-market transactions conducted on the ASX for an aggregate consideration of approximately A\$3,899,987 (equivalent to approximately HK\$22,375,552) during the period from 9 September 2015 to 22 June 2016.

As the applicable percentage ratio(s) for the Acquisition, which represents the aggregate of all shares in Mount Gibson acquired in the last twelve months, is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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

## CONSIDERATION

The aggregate consideration for the Acquisition is A\$3,899,987 (equivalent to approximately HK\$22,375,552) and has been/shall be fully settled in cash. The consideration was determined by reference to the prevailing trading prices of the shares of Mount Gibson on the ASX at the time of the Acquisition.

## 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 natural resource 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 and energy.

## INFORMATION ON MOUNT GIBSON

Mount Gibson is a company limited by shares incorporated in Australia, the shares of which are listed on the ASX. Mount Gibson is an independent Australian producer of high quality direct shipping grade iron ore products, with assets in the Kimberley and Mid-West regions of Western Australia.

Based on the audited consolidated financial statements of Mount Gibson for the year ended 30 June 2015, the consolidated net (losses) profits from continuing operations before and after taxation for the two financial years ended 30 June 2014 and 2015 and the consolidated net assets of Mount Gibson as at 30 June 2014 and 2015 are as follows:

	<b>For the year ended 30 June</b>			
	<b>2015</b>		<b>2014</b>	
	<i>A\$'000</i>	<i>HK\$'000</i>	<i>A\$'000</i>	<i>HK\$'000</i>
Consolidated net (loss) profit from continuing operations before taxation	<b>(989,415)</b>	<b>(5,899,090)</b>	147,452	1,077,034
Consolidated net (loss) profit from continuing operations after taxation	<b>(889,507)</b>	<b>(5,303,419)</b>	90,172	658,643
	<b>As at 30 June</b>			
	<b>2015</b>		<b>2014</b>	
	<i>A\$'000</i>	<i>HK\$'000</i>	<i>A\$'000</i>	<i>HK\$'000</i>
Consolidated net assets	<b>305,574</b>	<b>1,821,893</b>	1,262,018	9,218,158

*Note:* The translation of A\$ into HK\$ is based on the exchange rate of 7.3043 and 5.9622 as at 30 June 2014 and 30 June 2015 respectively.

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

The Directors consider that the Acquisition represents a good opportunity for the Group to increase its shareholding in Mount Gibson with reference to the recent share price of Mount Gibson as the Directors believe that the market is undervaluing the combination of cash, iron ore production tail, optionality from a restart at the Koolan Island mine and management expertise of and the potential for a value-accretive acquisition by Mount Gibson.

The Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) for the Acquisition, which represents the aggregate of all shares in Mount Gibson acquired in the last twelve months, is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

“A\$”	Australian dollar(s), the lawful currency of Australia
“Acquisition”	the acquisition of an aggregate of 16,829,032 shares in Mount Gibson by APAC Resources Capital Limited through on-market transactions conducted on the ASX in the last twelve months, representing approximately 1.54% of the total issued share capital of Mount Gibson as at the date of this announcement
“ASX”	the Australian Securities Exchange
“Board”	the board of Directors
“Company”	APAC Resources Limited (亞太資源有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	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
“Mount Gibson”	Mount Gibson Iron Limited, a company limited by shares incorporated in Australia, the shares of which are listed on the ASX and is an associate of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*Unless otherwise stated, amounts in A\$ have been translated into HK\$ at the exchange rates on the relevant dates of the acquisition or settlement which are within the range of HK\$5.4769 to HK\$5.8055 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 dates at the above rates or any other rates at all.*

By Order of the Board  
**APAC Resources Limited**  
**Arthur George Dew**  
*Chairman*

Hong Kong, 23 June 2016

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*