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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation whereby every ten (10) issued and unissued Existing Shares of HK\$0.10 each will be consolidated into one (1) Consolidated Share of HK\$1.00 each. The Share Consolidation is conditional upon, among other things, the approval of the shareholders at the SGM.

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares of a par value of HK\$0.10 each of which 9,191,651,985 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no Existing Shares will be issued or repurchased between the date of this announcement and the effective date of the Share Consolidation, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 2,000,000,000 ordinary shares of a par value of HK\$1.00 each of which 919,165,198 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

GENERAL

The Share Consolidation will be proposed at the SGM for Shareholders' consideration and, if thought fit, approval. The Circular in relation to the SGM containing, among other things, further details of the Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or around 12 May 2017.

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Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares of a par value of HK\$0.10 each of which 9,191,651,985 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no Existing Shares will be issued or repurchased between the date of this announcement and the effective date of the Share Consolidation, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 2,000,000,000 ordinary shares of a par value of HK\$1.00 each of which 919,165,198 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue. Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Save for the necessary expenses for the implementation of the Share Consolidation which are expected to be insignificant in the context of the net asset value of the Company, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company or the interests and rights of the Shareholders.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares. Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Conditions and expected effective date of the Share Consolidation

The Share Consolidation is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders approving the Share Consolidation at the SGM;
- (b) the compliance with all relevant procedures and requirements under Bermuda laws (where applicable) and the Listing Rules to effect the Share Consolidation; and
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation is expected to become effective on the next business day immediately following the fulfillment of the above conditions.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, arising from the Share Consolidation, will not be allocated to the Shareholders, but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Board lot size

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 20,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 20,000 Consolidated Shares. Based on the closing price of HK\$0.118 per Existing Share (equivalent to the theoretical closing price of HK\$1.18 per Consolidated Share) as at the date of this announcement, the value of each board lot of the Existing Shares is HK\$2,360 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$23,600.

Exchange of Share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on 2 June 2017, Shareholders may, from 2 June 2017 to 10 July 2017 (both days inclusive), submit certificates of the Existing Shares to the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for exchange, at the expense of the Company, for new certificates of the Consolidated Shares. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of the higher of HK\$2.50 or such other amount as may from time to time be specified by the Stock Exchange for each certificate issued or cancelled.

With effect from 7 July 2017, trading will only be in Consolidated Shares in the form of new share certificates. Existing share certificates of the Existing Shares will cease to be valid for delivery, trading and settlement purpose, but will remain valid and effective as documents of title.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares, the Company will procure an arrangement with an agent to stand in the market to provide matching services for the odd lots of the Consolidated Shares on a best effort basis. Further details in respect of the odd lots arrangement will be set out in the Circular.

Holdings of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Trading arrangement for the Consolidated Shares

Subject to the Share Consolidation becoming effective, the arrangements for dealings in the Consolidated Shares are expected to be as follows:

- (i) from 9:00 a.m. on 2 June 2017, the original counter for trading in the Existing Shares (in board lots of 20,000 Existing Shares) will be closed and a temporary counter for trading in the Consolidated Shares (in the form of existing share certificates and in temporary board lots of 2,000 Consolidated Shares) will be set up and opened;
- (ii) from 9:00 a.m. on 16 June 2017, the original counter for trading in the Consolidated Shares (in the form of new share certificates in board lots of 20,000 Consolidated Shares) will be re-opened;

- (iii) during the period from 16 June 2017 to 6 July 2017 (both dates inclusive), there will be parallel trading at the above two counters; and
- (iv) the temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares will be removed after the close of trading at 4:00 p.m. on 6 July 2017. Thereafter, trading will only be in board lots of 20,000 Consolidated Shares in the form of new share certificates while the existing share certificates for the Existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes. However, such certificates will remain effective as documents of title on the basis of ten (10) Existing Shares for one (1) Consolidated Share.

REASONS FOR THE SHARE CONSOLIDATION

For the majority of time during the past 12 months, the share price of the Company has been trading below HK\$0.12.

The Company understands that certain brokerage houses and institutional investors may have internal policies and practices that either prohibit them from investing in low-priced shares or discourage recommendations of low-priced shares to their customers. After due and careful commercial consideration, the Company is of the view that a 10:1 ratio would be an appropriate consolidation ratio, which would bring the share price of the Company up to approximately HK\$1.18 to 1.19 (based on its recent trading prices as at the announcement date). It is believed that the adjusted share price as a result of the Share Consolidation will make investing in the Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. Accordingly, the Board is of the view that the Share Consolidation would be in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING PLAN OF THE COMPANY

As at the date of this announcement, the Company has no current plans or proposals, has not entered into any written agreements, and does not have any negotiations in progress to conduct any equity fund raising activity. Nevertheless, the Company does not obviate the possibility of conducting equity fund raising activities in the future to finance its business development and expansion as and when necessary.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

Event	Date and Time
Expected date of despatch of the Circular together with notice of SGM and proxy form for SGM	Friday, 12 May 2017
Latest time to lodge transfer documents	4:30 p.m. on Thursday, 25 May 2017
Close of register of members	Friday, 26 May 2017 to Thursday, 1 June 2017 (both dates inclusive)
Latest time for lodging proxy forms for the SGM.	2:30 p.m. on Tuesday, 30 May 2017
Expected date and time of the SGM	2:30 p.m. on Thursday, 1 June 2017
Announcement of the poll results of the SGM	Thursday, 1 June 2017
Effective date of the Share Consolidation.	Friday, 2 June 2017
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Friday, 2 June 2017
First date of free exchange of existing certificates for the Existing Shares into new share certificates for the Consolidated Shares	Friday, 2 June 2017

Original counter for trading in the Existing Shares
(in board lots of 20,000 Existing Shares) closes. 9:00 a.m. on
Friday, 2 June 2017

Temporary counter for trading in the Consolidated Shares
in board lots of 2,000 Consolidated Shares
(in form of existing share certificates) opens 9:00 a.m. on
Friday, 2 June 2017

Original counter for trading in the Consolidated Shares
in board lots of 20,000 Consolidated Shares
(in the form of new share certificates
for the Consolidated Shares) re-opens 9:00 a.m. on
Friday, 16 June 2017

Parallel trading in the Consolidated Shares
(in the form of new and existing share certificates) commences. 9:00 a.m. on
Friday, 16 June 2017

Designated broker starts to stand in the market to provide
matching services for the sale and purchase of odd lots
of the Consolidated Shares. 9:00 a.m. on
Friday, 16 June 2017

Temporary counter for trading in Consolidated Shares
in board lots of 2,000 Consolidated Shares
(in form of existing share certificates) closes. 4:00 p.m. on
Thursday, 6 July 2017

Parallel trading in the Consolidated Shares
(in the form of new and existing Share certificates) ends. 4:00 p.m. on
Thursday, 6 July 2017

Designated broker ceases to stand in the market to provide
matching services for the sale and purchase of odd lots of
the Consolidated Shares. 4:00 p.m. on
Thursday, 6 July 2017

Last day for free exchange of existing share certificates
for new share certificates. Monday, 10 July 2017

All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified in this announcement for events in the timetable for the Share Consolidation are subject to the satisfaction of all the conditions for the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the SGM, and are therefore for indicative purpose only.

In the event that any special circumstances arise, the Board may extend, or make adjustment to the timetable by if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below:

“Board”	means the board of Directors;
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC;
“Circular”	means the circular to be despatched to the Shareholders containing the notice of the SGM;
“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 (Stock Code: 1104);
“Consolidated Share(s)”	means ordinary share(s) of HK\$1.00 each in the share capital of the Company upon the Share Consolidation becoming effective;
“Director(s)”	means director(s) of the Company;

“Existing Shares”	means ordinary shares of HK\$0.10 each in the share capital of the Company before the Share Consolidation becomes effective;
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong;
“HKSCC”	means The Hong Kong Securities Clearing Company Limited;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“SGM”	means the special general meeting of the Company to be convened and held to approve, among other things, the Share Consolidation;
“Share(s)”	means the Existing Share(s) and/or the Consolidated Share(s), as the case may be;
“Shareholder(s)”	means holder(s) of issued Shares;
“Share Consolidation”	means the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.10 each into one (1) Consolidated Share of HK\$1.00 each; and
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 28 April 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 Moyses Willcocks

* *For identification purpose only*