
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your securities in APAC Resources Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

**DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITION OF APPROXIMATELY 38.09% OF
THE TOTAL ISSUED SHARE CAPITAL OF TANAMI GOLD NL
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

Beijing Securities
Beijing Securities Limited
北京證券有限公司

A letter from the Board is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee containing its recommendations in respect of the Acquisition to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from Beijing Securities Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 30 of this circular.

A notice convening the SGM of APAC Resources Limited to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 11 April 2018 at 10:00 a.m. is set out on pages 38 to 39 of this circular. Whether or not you are able to attend the said meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Board	
Introduction	5
The Share Sale Agreement	6
Information of APL, the Vendor and the Subject Company	8
Information of the Company, the Group and the Purchaser	9
Reasons for and Benefits of the Acquisition	10
Listing Rules Implications	11
Independent Board Committee and Independent Financial Adviser	12
General	12
Recommendation	13
Further Information	13
Letter from the Independent Board Committee	14
Letter from the Independent Financial Adviser	16
Appendix I - General Information	31
Appendix II - Notice of Special General Meeting	38

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“A\$”	Australian dollars, the lawful currency of Australia;
“Acquisition”	the acquisition of the Sale Shares pursuant to the Share Sale Agreement;
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 373) and is a controlling shareholder of APL;
“Allied Properties Investments”	Allied Properties Investments (1) Company Limited, a controlling shareholder which holds 269,858,943 Shares, representing approximately 33.93% of the total issued share capital of the Company as at the Latest Practicable Date and indirectly wholly-owned by APL;
“Announcement”	the announcement of the Company dated 2 February 2018 in relation to the Acquisition;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 56) and is a controlling shareholder of the Company;
“associate(s)”	having the meaning ascribed to it under the Listing Rules;
“ASX”	the Australian Securities Exchange;
“Australia”	The Commonwealth of Australia;
“Board”	the board of Directors;
“Business Day”	a day on which banks are open for general banking business in Sydney, excluding Saturdays, Sundays and public holidays;
“BVI”	the British Virgin Islands;

DEFINITIONS

“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);
“Completion”	completion of the Acquisition;
“Completion Date”	10 Business Days after the date on which notification of the last of the Conditions is fulfilled or waived, or any other date agreed by the Purchaser and the Vendor;
“Condition(s)”	the condition(s) precedent to Completion, as more particularly set out under the section headed “Conditions precedent” of this circular;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Consideration”	A\$20,142,575 (equivalent to approximately HK\$126,495,000), being the consideration payable for the sale and purchase of the Sale Shares under the Share Sale Agreement;
“controlling shareholder(s)”	having the meaning ascribed to it under the Listing Rules;
“Cut Off Date”	2 May 2018;
“Director(s)”	director(s) of the Company;
“FATA”	the Foreign Acquisitions and Takeovers Act 1975 (Commonwealth of Australia);
“Group”	the Company and its subsidiaries;
“Heads of Agreement”	joint venture heads of agreement entered into, among others, between the Subject Company and NST on 26 February 2015;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Share Sale Agreement and the transactions contemplated thereunder;
“Independent Financial Adviser”	Beijing Securities Limited, an independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Share Sale Agreement and the transactions contemplated thereunder;
“Independent Shareholder(s)”	the holder(s) of the Share(s) other than APL and its associates (including Allied Properties Investments) which are required to abstain from voting at the SGM;
“Latest Practicable Date”	13 March 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NST”	Northern Star Resources Limited, a company listed on the ASX;
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“Project”	the minerals project in the Northern Territory of Australia which is the subject of an unincorporated joint venture between the Subject Company and NST formed under the Heads of Agreement;
“Purchaser”	APAC Resources Mining Limited, a company incorporated in BVI with limited liability, and a wholly-owned subsidiary of the Company;
“Sale Shares”	447,612,786 fully paid ordinary shares of the Subject Company, representing approximately 38.09% of the total issued share capital of the Subject Company as at the Latest Practicable Date;

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 11 April 2018 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, approving the Share Sale Agreement and the transactions contemplated thereunder;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Share Sale Agreement”	the share sale agreement between the Purchaser as the buyer and the Vendor as the seller dated 2 February 2018 in respect of the Acquisition;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subject Company”	Tanami Gold NL, a no liability company incorporated in Australia, the shares of which are listed on the ASX;
“Subject Company Share(s)”	the ordinary share(s) of the Subject Company;
“Vendor”	Allied Properties Resources Limited, a company incorporated in BVI with limited liability, being an indirect wholly-owned subsidiary of APL; and
“%”	per cent.

Unless otherwise stated, amount in A\$ have been translated into HK\$ at the exchange rate on the relevant date of the acquisition is of HK\$6.28 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.

LETTER FROM THE BOARD



APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

Executive Directors:

Mr. Brett Robert Smith (*Deputy Chairman*)

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

Mr. So Kwok Hoo

Independent Non-Executive Directors:

Dr. Wong Wing Kuen, Albert

Mr. Chang Chu Fai, Johnson Francis

Mr. Robert Moyse Willcocks

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Head office and

principal place of business:

Room 2304, 23rd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

19 March 2018

To the shareholders of the Company

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITION OF APPROXIMATELY 38.09% OF
THE TOTAL ISSUED SHARE CAPITAL OF TANAMI GOLD NL
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to the Acquisition. On 2 February 2018, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Sale Agreement with the Vendor, pursuant to which the Purchaser has

* *For identification purpose only*

LETTER FROM THE BOARD

conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing approximately 38.09% of the total issued share capital of the Subject Company as at the Latest Practicable Date, at the Consideration of A\$20,142,575 (equivalent to approximately HK\$126,495,000). The Acquisition is conditional upon the fulfillment or waiver (as the case may be) of the Conditions specified in the Share Sale Agreement and as described under the paragraph headed "Conditions precedent" under the section headed "The Share Sale Agreement" in this circular.

The purpose of this circular is to provide you with, among other things, (i) details of the Acquisition; (ii) a letter from the Independent Board Committee advising the Independent Shareholders in respect of the Share Sale Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Share Sale Agreement and the transactions contemplated thereunder; (iv) financial information of the Subject Company; and (v) a notice of the SGM.

The material terms of the Share Sale Agreement are summarised below:

THE SHARE SALE AGREEMENT

Date: 2 February 2018

Parties: (1) the Vendor as the seller under the Share Sale Agreement; and
(2) the Purchaser as the buyer under the Share Sale Agreement.

Subject matter

Pursuant to the Share Sale Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing approximately 38.09% of the total issued share capital of the Subject Company as at the Latest Practicable Date.

Consideration

The Consideration for the Sale Shares is in the aggregate amount of A\$20,142,575 (equivalent to approximately HK\$126,495,000) and shall be payable in full by the Purchaser to the Vendor upon Completion.

The Consideration was determined through arm's length negotiations between the Purchaser and the Vendor on a commercial basis after taking into account, among other things (i) the published audited net asset value of the Subject Company as at 30 June 2017 of approximately A\$16,362,000; (ii) the Options granted by NST to the Subject Company in relation to the Project as detailed below; and (iii) the closing trading price of the Subject Company on ASX as at 25 January 2018 of A\$0.041 per Subject Company Share. The Consideration represents (i) a premium of approximately 223% to the audited net asset value attributable of approximately A\$0.014 per Subject Company Share as at 30 June

LETTER FROM THE BOARD

2017; and (ii) a premium of approximately 9.76% to the closing trading price of A\$0.041 per Subject Company Share as at the date of the Share Sale Agreement.

The Consideration represents a premium of approximately 9.76% to the closing trading price of A\$0.041 per Subject Company Share as at the Latest Practicable Date.

Conditions precedent

Completion of the Share Sale Agreement is conditional upon, among other things, the following Conditions being fulfilled:

- (i) the shareholders of the Subject Company having approved the transfer of the Sale Shares from the Vendor to the Purchaser in accordance with the relevant laws of Australia;
- (ii) the Independent Shareholders having approved the acquisition of the Sale Shares by the Purchaser;
- (iii) either:
 - a. the Purchaser having received a written notice issued under FATA by or on behalf of the Treasurer of Australia stating or to the effect that the Commonwealth Government of Australia does not object to the transactions contemplated by the Share Sale Agreement, either unconditionally or on terms that are acceptable to the Purchaser; or
 - b. the Treasurer of Australia becomes precluded from making an order in relation to the subject matter of the Share Sale Agreement and the transactions contemplated by it under FATA; or
 - c. if an interim order is made under FATA in respect of the transactions contemplated by the Share Sale Agreement, the subsequent period for making a final order prohibiting the transactions contemplated by the Share Sale Agreement elapses without a final order being made.

Completion and Termination

If any of the Conditions are not fulfilled or otherwise waived by the Purchaser (whereas the Purchaser has no intention to grant any waiver of the Conditions) in accordance with the Share Sale Agreement, as the case may be on or before the Cut Off Date, the Share Sale Agreement shall be automatically terminated and nothing in the Share Sale Agreement will cause a binding agreement for the transfer of the Sale Shares to arise.

If all the Conditions are fulfilled (or otherwise waived in accordance with the Share Sale Agreement, as the case may be) on or before the Cut Off Date, Completion shall take place on the Completion Date or such other date and time as may be agreed by the Vendor and the Purchaser.

Upon Completion, the Subject Company will be accounted for as an investment in an associate of the Company.

LETTER FROM THE BOARD

INFORMATION OF APL, THE VENDOR AND THE SUBJECT COMPANY

Based on the information provided by the Vendor, information on APL, the Vendor and the Subject Company is as follows:

APL

APL is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange and a controlling shareholder of the Company. The principal business activity of APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, elderly care services, the provision of finance and investments in listed and unlisted securities.

The Vendor

The Vendor is a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of APL, being the beneficial owner of the Sale Shares. The principal business activity of the Vendor is investment holding.

The Subject Company

The Subject Company is a no liability company incorporated in Australia, the shares of which are listed on the ASX, and is owned as to approximately 38.09% by the Vendor as at the Latest Practicable Date. The principal business activity of the Subject Company is gold exploration. The principal assets of the Subject Company as at 30 June 2017 were acquired exploration and evaluation, cash and available for sale financial assets.

The Subject Company's main undertaking is the Project which is located in the Northern Territory of Australia. Pursuant to the Heads of Agreement, NST has paid A\$11,000,000 in cash and issued 4,290,228 shares of NST to the Subject Company to acquire 25% interest in the Project (the "**Initial Acquisition**") at the completion of the Initial Acquisition (which has taken place on 31 July 2015), and the Subject Company and NST have formed an unincorporated joint venture on 31 July 2015 for the purpose of advancing the Project. As at the Latest Practicable Date, the Subject Company and NST hold 75% and 25% interest in the Project respectively and NST will earn up to 60% by solely funding, during the sole funding period, all expenditure and costs, including all exploration and evaluation costs, assessment and development costs, mining costs of the tenements and refurbishment costs of the process plant and associated infrastructure of the Project, required to bring the Project back into commercial production, which NST has undertaken under the Heads of Agreement to use its best endeavours to procure the occurrence of the same within 3 years from the completion of the Initial Acquisition and will be achieved once the Project's process plant has been refurbished and is operated for a 30 day period or has produced 5,000 ounces of gold. The sole funding period will expire on the date on which the process plant of the Project has been refurbished to operating condition and has operated for a continuous 30 day period or has produced 5,000 ounces of gold ore (whichever occurs first). On the expiration of the sole funding period, NST will have earned a further 35% interest in the Project, taking NST's total interest in the unincorporated joint venture to 60% without paying further consideration. The Subject Company has been granted two options by NST to sell its remaining interest in the Project (the "**Options**") which include (1) the selling of 15% of the Project for A\$20,000,000 in cash

LETTER FROM THE BOARD

or certain shares of NST of equivalent value at the Subject Company's election at any time up to the earlier of 31 July 2018 or 30 days following achievement of commercial production, and if such commercial production is achieved after 31 July 2018, the Subject Company may exercise the option at any time up to 30 days following achievement of commercial production; and (2) the selling of 25% of the Project for A\$32,000,000 in cash or certain shares of NST of equivalent value at the Subject Company's election during the six months after commercial production.

During the quarter ended 31 December 2017, NST has announced that it has completed a range of geological mapping and sampling and geotechnical surveys on the Project. NST has also stated that aircore drilling programs for several prospects in the southern part of the Project have also been designed and will commence after the wet season of Australia.

As at 30 April 2014 (being the date of the most recent update of the Subject Company's mineral resources as disclosed in the 2017 annual report of the Subject Company), the total mineral resources of the Subject Company was 2,673,000 ounces of gold.

As at the Latest Practicable Date, no work has been done to refurbish the plant and the Subject Company has no other business engagements other than the Project.

Based on the information provided by the Vendor, the original purchase costs of the Sales Shares, which are the subjects of the Acquisition, incurred by the Vendor was approximately HK\$417,396,000.

Financial information of the Subject Company

The following is the consolidated financial information of the Subject Company as extracted from its audited financial statements for the years ended 30 June 2016 and 30 June 2017 respectively:

	For the year ended 30 June 2016	For the year ended 30 June 2017
	<i>A\$'000</i>	<i>A\$'000</i>
Net profit (loss) before tax	11,717	(4,443)
Net profit (loss) after tax	12,570	(4,699)

As at 30 June 2017, the audited net asset value of the Subject Company was approximately A\$16,362,000.

INFORMATION OF THE COMPANY, THE GROUP AND THE PURCHASER

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.

LETTER FROM THE BOARD

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.

The Purchaser

The Purchaser is a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company. The principal business activity of the Purchaser is investment holding.

REASONS FOR AND BENEFITS OF THE ACQUISITION

It is the Group's focus to look for investment opportunities in listed and unlisted securities globally in the resources sector in both resources investment and primary strategic investment business segments. The Group's primary strategic investment business targets investments with more than 20% stake in producers which will provide cashflow, productivity assets or offtake opportunity. Currently our primary strategic investment is in Mount Gibson Iron Limited, an Australian listed iron ore producer. The Group also has minor holdings in various natural resource companies listed on major stock exchanges including, among others, Metals X Limited, a major tin producer in Australia, Westgold Resources Limited and ABM Resources NL, two Australian listed gold companies.

The Directors consider that the Acquisition, after taking into account the Heads of Agreement and the Options, represents a good opportunity for the Group to increase its natural resources investment in gold mining. The Subject Company reported the audited net asset value of approximately A\$16,362,000 as at 30 June 2017. Further, the Subject Company also owns the Options to sell 15% interest in the Project for A\$20,000,000 (the "**First Option Value**") and a potential option to sell the remaining 25% interest in the Project for A\$32,000,000 (the "**Second Option Value**") subject to the terms and conditions set out in the Heads of Agreement.

Comparing the above with the market capitalisation of the Subject Company of A\$53,000,000 calculated based on the proposed purchase price of A\$0.045 per share under the Share Sale Agreement, the Company is acquiring a material stake in the Subject Company at a price that is lower than the aggregate of its net asset value as at 30 June 2017, the First Option Value and the Second Option Value. However, if the Subject Company did not exercise the Options, it would retain 40% interest in the Project. Further, the Company regards the Acquisition as a continuation of its committed long-term investment in Australia. This long-term commitment brings the benefit of the Company's ability to access world markets for Australian gold mining in addition to the current hematite iron ore involvement.

LETTER FROM THE BOARD

In addition, the Subject Company incurred a loss in 2017 because it is not yet in commercial production, which is not unusual for pre-production resource companies and is not a reflection of the Subject Company's fair value. In the case of pre-production mining companies, net assets predominantly reflect capitalised expenditure. The purpose of exploration is to find assets that are worth than the money spent, so it is natural for pre-production mining companies to have net assets that are below the net asset value calculated by reference to the share price. A 9.76% premium to the closing trading price of the Subject Company as at the Latest Practicable Date is considered by the Board to be reasonable given the Company is acquiring approximately 38.09% of the Subject Company, which is close to a controlling interest in the Subject Company.

In view of the above, the Directors (other than the independent non-executive Directors whose opinion is set out in the "Letter from the Independent Board Committee" in this circular) are of the view that the terms and conditions of the Share Sale Agreement are on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Purchaser is a wholly-owned subsidiary of the Company, the Acquisition shall be a deemed transaction of the Company under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries. The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules on the basis that the relevant percentage ratio(s) of the Company exceeds 5% but is below 25%.

As at the Latest Practicable Date, the Company is owned as to approximately 33.93% by Allied Properties Investments, being an indirect wholly-owned subsidiary of APL, a controlling shareholder of the Company and hence a connected person of the Company. Therefore, the Vendor, being an indirect wholly-owned subsidiary of APL, is also a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Therefore, the Acquisition is also subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lee Seng Hui ("**Mr. Lee**"), a non-executive Director, is also the chief executive and an executive director of each of AGL and APL. Mr. Lee is one of the trustees of Lee and Lee Trust, being a discretionary trust which together with Mr. Lee's personal interest, controls approximately 74.95% interest in the total number of issued shares of AGL, which is directly and indirectly interested in an aggregate of approximately 74.99% of the total number of issued shares of APL. APL is indirectly interested in approximately 33.93% of the total issued share capital of the Company and which the Vendor is its indirect wholly-owned subsidiary. Accordingly, Mr. Lee is deemed to be interested in the Acquisition and therefore has abstained from voting on the relevant Board resolutions.

Mr. Arthur George Dew ("**Mr. Dew**"), the Chairman and a non-executive Director, is also the chairman and a non-executive director of each of AGL and APL, and a non-executive director of the Subject Company. In view of the aforesaid common directorship, Mr. Dew has abstained from voting on the Board resolutions in respect of the Acquisition.

LETTER FROM THE BOARD

Apart from the above, none of the Directors has any material interest in the Acquisition and is required to abstain from voting on the Board resolutions approving the Share Sale Agreement and the transactions contemplated thereunder.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to whether (i) the terms and conditions of the Share Sale Agreement are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Acquisition is in the interests of the Company and its shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. None of the members of the Independent Board Committee has any material interest in the Acquisition.

With the approval of the Independent Board Committee, the Company has appointed the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms and conditions of the Share Sale Agreement and the transactions contemplated thereunder.

GENERAL

The Directors have resolved to convene the SGM to consider and, if thought fit, to approve the Share Sale Agreement and the transactions contemplated thereunder.

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, save as and except for APL and its associates (including Allied Properties Investments), no other shareholder of the Company has a material interest in the transactions contemplated under Share Sale Agreement such that he or she or it shall abstain from voting at the SGM on the resolution to approve the Share Sale Agreement and the transactions contemplated thereunder.

The notice of SGM is set out on pages 38 to 39 of this circular. A proxy form for use at the SGM is enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands). Accordingly, the resolution to be proposed at the SGM as set out in notice of the SGM shall be voted by poll.

LETTER FROM THE BOARD

RECOMMENDATION

The Board (other than the independent non-executive Directors whose opinion is set out in the “Letter from the Independent Board Committee” in this circular) considers the terms of the Share Sale Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Share Sale Agreement and the transactions contemplated thereunder.

FURTHER INFORMATION

Your attention is drawn to the respective letters from the Independent Board Committee and the Independent Financial Adviser in this circular. As set out in the letter from the Independent Board Committee, the Independent Board Committee considers that the entering into of the Share Sale Agreement is in the interests of the Company and the shareholders of the Company and concurs with the views of Independent Financial Adviser that the terms of the Share Sale Agreement are fair and reasonable so far as the shareholders of the Company as a whole are concerned and therefore, recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the Share Sale Agreement and the transactions contemplated thereunder.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Acquisition:



19 March 2018

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITION OF APPROXIMATELY 38.09% OF
THE TOTAL ISSUED SHARE CAPITAL OF TANAMI GOLD NL**

INTRODUCTION

We refer to the circular dated 19 March 2018 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined therein shall have the same meanings which used in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether in our opinion, the terms of the Share Sale Agreement and the transactions contemplated thereunder as described in pages 6 to 7 in the Letter from the Board are fair and reasonable in so far as the Independent Shareholders are concerned. Beijing Securities Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Share Sale Agreement and the transactions contemplated thereunder. Details of the advice of Beijing Securities Limited, together with the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 16 to 30 of this Circular.

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

We wish to draw your attention to the Letter from the Board as set out on pages 5 to 13 of the Circular which contains details of the Share Sale Agreement and the transactions contemplated thereunder, the letter from Beijing Securities Limited as set out on pages 16 to 30 of the Circular which contains its advice and recommendation in respect of the transactions mentioned above to the Independent Board Committee and the Independent Shareholders, and the general information set out in Appendix I of this circular.

Having taken into account the advice and recommendation of Beijing Securities Limited and the principal factors and reasons considered by Beijing Securities Limited, we consider that the terms of the Share Sale Agreement and the transactions contemplated thereunder have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and the shareholders of the Company as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution in relation to the Acquisition to be proposed at the SGM.

Yours faithfully,
For and on behalf of
**Independent Board Committee of
APAC Resources Limited**

Wong Wing Kuen, Albert

**Chang Chu Fai,
Johnson Francis**

Robert Moyse Willcocks

Independent Non-Executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Beijing Securities Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Share Sale Agreement, which has been prepared for the purpose of incorporation in this circular.

Beijing Securities
Beijing Securities Limited
北京證券有限公司

BEIJING SECURITIES LIMITED

14th Floor, Shanghai Industrial Investment Building, 48 Hennessy Road, Wanchai, Hong Kong

19 March 2018

To the Independent Board Committee and Independent Shareholders of
APAC Resources Limited

Dear Sirs,

**DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION –
THE ACQUISITION OF APPROXIMATELY 38.09% OF
THE TOTAL ISSUED SHARE CAPITAL OF TANAMI GOLD NL**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the discloseable and connected transactions involving the acquisition of approximately 38.09% of the total issued share capital of the Subject Company – Tanami Gold NL, details of which are set out in the letter from the Board (“**Letter from Board**”) contained in the circular of the Company dated 19 March 2018 (the “**Circular**”), of which this letter forms a part. Terms used in this letter have the same meanings as those defined in the Circular unless the context requires otherwise.

On 2 February 2018, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Sale Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing approximately 38.09% of the total issued share capital of the Subject Company as at the date of the Share Sale Agreement, at the Consideration of A\$20,142,575 (equivalent to approximately HK\$126,495,000).

As the Purchaser is a wholly-owned subsidiary of the Company, the Acquisition shall be a deemed transaction of the Company under the Listing Rules. On the basis that the relevant percentage ratio(s) of the Company exceeds 5% but is below 25% under Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Further, as at the Latest Practicable Date, the Company is owned as to approximately 33.93% by Allied Properties Investments, being an indirect wholly-owned subsidiary of APL, a controlling shareholder of the Company and hence a connected person of the Company. Therefore, the Vendor, being an indirect wholly-owned subsidiary of APL, is also a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and the Acquisition is also subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board currently comprises two executive Directors, three non-executive Directors and three independent non-executive Directors. The Independent Board Committee, comprising all of the independent non-executive Directors, namely Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyses Willcocks, has been established to advise the Independent Shareholders in respect of the Share Sale Agreement and the transactions contemplated thereunder. We have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee in this respect and such appointment has been approved by the Independent Board Committee.

Beijing Securities Limited is not connected with the directors, chief executive or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby Beijing Securities Limited will receive any fees or benefits from the Company or the directors, chief executive or substantial shareholders of the Company or any of their respective associates. Within the past two years from the Latest Practicable Date, Beijing Securities Limited was engaged as the independent financial adviser by the Company on one occasion, details of which were set out in the circular of the Company dated 16 November 2017. This past engagement was limited to providing independent advisory services to the independent board committee and the independent shareholders of the Company pursuant to the Listing Rules and the Hong Kong Code on Takeovers and Mergers. Given our independent role and normal professional fees received from the Company under this past engagement, we consider it would not affect our independence to form our opinion in this letter.

Our role is to provide you with our independent opinion and recommendation as to whether the terms of the Share Sale Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business and on normal commercial terms and whether the Acquisition is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole and how the Independent Shareholders should vote in respect of the Share Sale Agreement and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Directors, the Company and its management.

We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Acquisition, we have considered the following principal factors and reasons.

1. Terms of the Share Sale Agreement

On 2 February 2018, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Sale Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing approximately 38.09% of the total issued share capital of the Subject Company as at the date of the Share Sale Agreement, at the Consideration of A\$20,142,575 (equivalent to approximately HK\$126,495,000). The Acquisition is conditional upon the fulfillment or waiver (as the case may be) of the Conditions specified in the Share Sale Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Principal terms of the Share Sale Agreement

The following is a summary of the principal terms of the Share Sale Agreement.

- Date** : 2 February 2018
- Parties** : (1) the Vendor as the seller under the Share Sale Agreement; and
(2) the Purchaser as the buyer under the Share Sale Agreement.
- Subject matter** : Pursuant to the Share Sale Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing approximately 38.09% of the total issued share capital of the Subject Company as at the date of the Share Sale Agreement.
- Consideration** : The Consideration for the Sale Shares is in the aggregate amount of A\$20,142,575 (equivalent to approximately HK\$126,495,000) and shall be payable in full by the Purchaser to the Vendor upon Completion.

Further details on the terms of the Share Sale Agreement including the conditions precedent are set out in the Letter from the Board.

2. Background of and reasons for the Acquisition

2.1 Background information of the Group

The Company is incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange. The Company is an investment holding company. Its subsidiaries are principally engaged in primary strategic investment, resource investment and commodity trading business focusing on metals, mining and energy. During the year ended 30 June 2017, the Group established a new business segment, namely the principal investment and financial services segment with revenue generated from provision of loans and investment in loan notes and other financial assets. As such, the business of the Group is currently segmented into three business segments, namely, (i) commodity business; (ii) resource investment; and (iii) principal investment and financial service.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 30 June 2017 as extracted from the Company's annual report for the year ended 30 June 2017.

Audited consolidated financial information for the year ended 30 June 2017

	2017 (Audited) (HK\$'000)	2016 (Audited) (HK\$'000)
Revenue	100,476	123,103
Profit/(Loss) for the year	548,595	(16,845)

Financial position as at 30 June 2016 and 2017

	As at 30 June	
	2017 (Audited) (HK\$'000)	2016 (Audited) (HK\$'000)
Total assets	2,916,650	2,228,979
Total liabilities	28,300	20,613
Equity attributable to owners of the Company	2,888,350	2,208,366

For the year ended 30 June 2017, the revenue of the Group was contributed by its commodity business, and principal investment and financial services. For the year ended 30 June 2017, the revenue of the Group was approximately HK\$100.5 million, representing a decrease of approximately 18.4% as compared with approximately HK\$123.1 million for the year ended 30 June 2016. However, for the year ended 30 June 2017, gross sales proceeds from the Group's resource investment was approximately HK\$481.5 million as compared with approximately HK\$71.9 million for the year ended 30 June 2016. Therefore, for the year ended 30 June 2017, the profit attributable from the above three business segments (i.e., commodity business, principal investment and financial services and resource investment) was approximately HK\$80.1 million as compared with a loss of approximately HK\$6.8 million for the year ended 30 June 2016. In addition to the profit from the Group's three business segments of approximately HK\$80.1 million, the Group also recognized gains from the derecognition of investment in associates of approximately HK\$189.6 million, share of net profit of associates of approximately HK\$46.9 million, reversal of impairment loss on the carrying value of the Group's investment in Mount Gibson Iron Limited of approximately HK\$82.6 million and upward adjustment to carrying amount of loans receivable of approximately HK\$107.7 million for the year ended 30 June 2017. As such, for the year ended 30 June 2017, the Group recorded a profit attributable to owners of the Company of approximately HK\$548.6 million as compared with a loss of approximately HK\$16.8 million for the year ended 30 June 2016.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 30 June 2017, the equity of the Group amounted to approximately HK\$2,888.4 million as compared with approximately HK\$2,208.4 million for the year ended 30 June 2016. The increase in equity of the Group was contributed, amongst others, by the increase of bank balances and cash of approximately 439.8% from approximately HK\$149.3 million as at 30 June 2016 to approximately HK\$805.7 million as at 30 June 2017. Such increase in bank balances and cash was due to, amongst others, the disposal of shares held by the Group in Metals X Limited and Westgold Resources Limited, both are listed entities in Australia.

Looking forward, the Company has announced in August 2016 the creation of two new investment portfolios, operating out from the resource investment segment of the Group, with one to focus on energy and the other one to focus on mining. It is the objective of the Group to continue to look for high quality investment opportunities in both its resource investment segment and primary strategic investment segment which will generate attractive returns over the long run.

2.2 Background information of the Subject Company

The Subject Company is a no liability company incorporated in Australia, the shares of which are listed on the ASX, and is owned as to approximately 38.09% by the Vendor as at 2 February 2018. The principal business activity of the Subject Company is gold exploration. The principal assets of the Subject Company as at 30 June 2017 were acquired exploration and evaluation, cash and available for sale financial assets.

Set out below is a summary financial information of the Subject Company for the two years ended 30 June 2017 as extracted from its annual report for the year ended 30 June 2017:

Audited consolidated financial information for the two years ended 30 June 2017

	For the year ended 30 June	
	2017	2016
	(Audited)	(Audited)
	(A\$'000)	(A\$'000)
Revenue from operating activities	167	39
Profit/(loss) before income tax	(4,443)	11,717
Profit/(loss) for the year	(4,699)	12,570

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial position as at 30 June 2016 and 2017

	For the year ended 30 June	
	2017	2016
	(Audited)	(Audited)
	(A\$'000)	(A\$'000)
Net assets	16,362	21,658

The Subject Company's main undertaking is the Project, the minerals project in the Northern Territory of Australia and the current goal of the Project is to put it into commercial production. Pursuant to the Heads of Agreement, the Subject Company and NST have formed an unincorporated joint venture for the purpose of advancing the Project. Further details of the Heads of Agreement are set out in the sub-section "Other analysis of the Consideration" of this letter below and also in the Letter from the Board. As at 30 April 2014 (being the date of the most recent update of the Subject Company's mineral resources), the total mineral resources of the Subject Company were 2,673,000 ounces of gold and the Subject Company has no other business engagements other than the Project.

For the year ended 30 June 2017, the Subject Company recognized revenue of approximately A\$167,000 which was gold sales from the successful recovery of approximately 97.792 ounces of gold of the Coyote processing plant. For the year ended 30 June 2017, the Subject Company recorded a loss after tax of approximately A\$4.7 million. During the quarter ended 31 December 2017, NST has announced that it has completed a range of geological mapping and sampling and geotechnical surveys on the Project. NST has also stated that aircore drilling programs for several prospects in the southern part of the Project have also been designed and drilling will commence after the wet season in Australia. As at 30 June 2017, the net assets of the Subject Company was approximately A\$16.4 million.

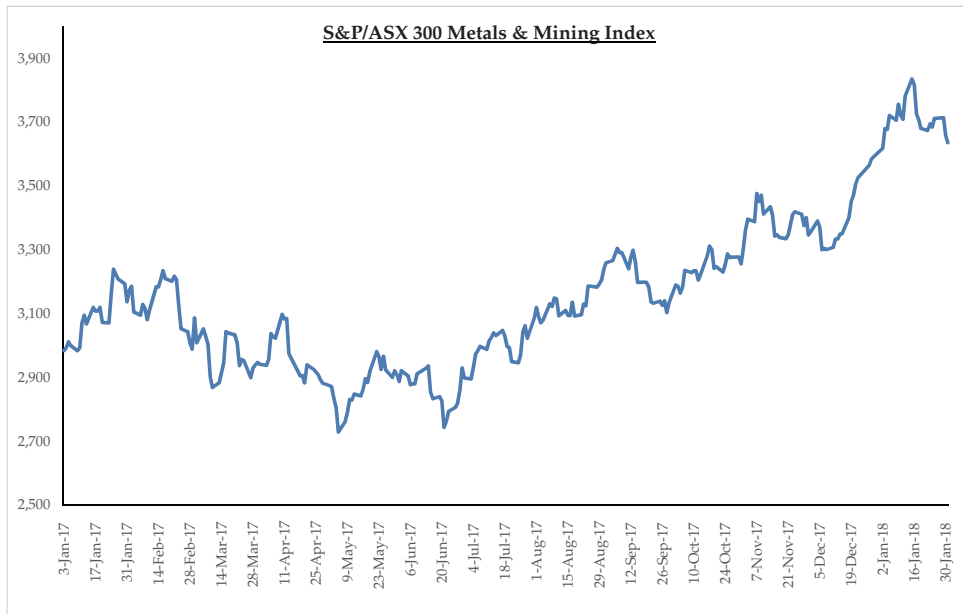
Looking forward, the Subject Company will continue to monitor and provide assistance in relation to the exploration of the Project.

2.3 Reasons for and benefits of the Acquisition

As set out in the sub-section "Background information of the Group" above, the Group's main business lines comprise of primary strategic investment, resource investment, and commodity trading business with focused mainly on metals, mining and energy and investment in financial assets. Currently the Group's primary strategic investment is in Mount Gibson Iron Limited, an Australian listed iron ore producer. The Group also has minor holdings in various natural resource companies listed on major stock exchanges including, among others, Metals X Limited, a major tin producer in Australia, Westgold Resources Limited and ABM Resources NL, two Australian listed gold companies. In addition, the Group is actively looking for investment opportunities in listed and unlisted securities in the resources sector. The Group considers that the Acquisition represents a good opportunity for the Group to increase its natural resources investment in gold mining.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the merits to invest in the Subject Company, we have reviewed the S&P/ASX 300 Metals & Mining Index from the beginning of 2017 up to 31 January 2018 given that the Subject Company is listed on the ASX and the S&P/ASX 300 Metals & Mining Index is recognised as an important benchmark for equity investment on ASX in the metals and mining industry. Given that the Subject Company is engaged in gold exploration, the analysis of the S&P/ASX 300 Metals & Mining Index will provide a good indication of the general market sentiment of companies in the metals and mining industry.



Source: S&P Dow Jones Indices (please refer to the link:
<https://au.spindices.com/indices/equity/sp-asx-300-metals-mining-industry>)

As noted in the chart above, the S&P/ASX 300 Metals & Mining Index has been on an upward trend after reaching a low of 2,721 points on 5 May 2017 during the tracking period. Since then, the S&P/ASX 300 Metals & Mining Index has increased and reached a high of 3,834 points on 15 January 2018, representing an increase of approximately 41% from the low point of 2,721 points. We are of the view that the upward trend in the S&P/ASX 300 Metals & Mining Index illustrates the optimism in the metals and mining industry for ASX listed companies.

In light that (i) the Group is pursuing for investment opportunities in the resources sector; (ii) the potential commercial production of the Project; and (iii) the favourable trend in the S&P/ASX 300 Metals & Mining Index provides a good indication of the favourable market sentiment of the metals and mining industry, we are of the view that the Acquisition is in the usual and ordinary course of business of the Group and the entering into of the Share Sale Agreement is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Analysis of the Consideration

The Consideration was determined through arm's length negotiations between the Purchaser and the Vendor. The Consideration for the Sale Shares is in the aggregate amount of A\$20,142,575 (equivalent to approximately HK\$126,495,000) and shall be payable in full by the Purchaser to the Vendor upon Completion. Given that the Sale Shares represent 447,612,786 fully paid ordinary shares of the Subject Company, the consideration per Subject Company Share is approximately A\$0.045 (the "**Consideration per Subject Company Share**").

The Consideration per Subject Company Share of A\$0.045 represents:

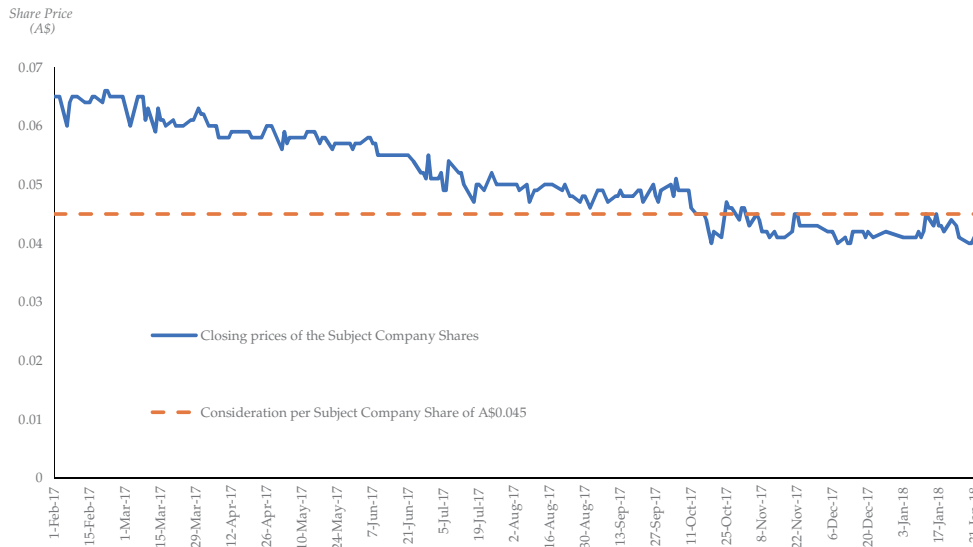
- (i) a premium of approximately 9.76% to the closing price of A\$0.041 per Subject Company Share as quoted on the ASX as at the Latest Practicable Date;
- (ii) a premium of approximately 9.76% to the closing price of A\$0.041 per Subject Company Share as quoted on the ASX on 2 February 2018, being the date of the Share Sale Agreement (the "**Last Trading Date**");
- (iii) a premium of approximately 9.76% to the average closing price of A\$0.041 per Subject Company Share as quoted on the ASX for the last five trading days up to the Last Trading Date;
- (iv) a premium of approximately 7.14% to the average closing price of A\$0.042 per Subject Company Share as quoted on the ASX for the last ten trading days up to the Last Trading Date; and
- (v) a premium of approximately 221.43% to the audited net asset value attributable of approximately A\$0.014 per Subject Company Share as at 30 June 2017.

In analysing the fairness and reasonableness of the Consideration, we have reviewed the share price performance of the Subject Company and undertaken comparable analysis with other comparable companies.

Review on share price performance of the Subject Company

We have reviewed the closing share prices of the Subject Company during a period starting from 1 February 2017 (being approximately one year prior to the publication of the date of the Share Sale Agreement) up to Last Trading Date, i.e., 2 February 2018 (the "**Review Period**").

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



Source: website of the ASX

During the Review Period, the lowest closing price was A\$0.040 per Subject Company Share and the highest closing price was A\$0.066 per Subject Company Share. The Consideration per Subject Company Share therefore represents a premium of approximately 12.50% to the said lowest closing price per Subject Company Share and a discount of 31.82% to the said highest closing price per Subject Company Share during the Review Period. We noted that the closing price of the Subject Company in general was in a downward trend during the Review Period as compared with the upward trend of the S&P/ASX 300 Metals & Mining Index. After having enquired with the Company, it was unaware of any reasons for the downward trend in the share price of the Subject Company during the Review Period. In our view, the downward trend in the closing price of the Subject Company may likely be due to that the Subject Company is still loss making as the Project has not yet been put into commercial production. When the Project is put into commercial production, there is a potential that the share price trend of the Subject Company may be in line with the growth of the S&P/ASX 300 Metals & Mining Index. Notwithstanding the downward trend in the closing price of the Subject Company, based on the chart above, it is also noted that the Consideration per Subject Company Share is in the low-end range of the closing prices of the Subject Company Shares during the Review Period. In addition, the average closing of the Subject Company Share during the Review Period is approximately A\$0.052 and therefore the Consideration per Subject Company Share represents a discount of approximately 13.46% to such average closing price and therefore we are of the view that the Consideration per Subject Company Share is fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparable analysis with other comparable companies

To further assess the fairness and reasonableness of the Consideration per Subject Company Share, we have considered using price-to-earnings (the “P/E”) ratio analysis and price-to-book (the “P/B”) ratio analysis, the most commonly used benchmarks for valuation of companies, to compare the Consideration per Subject Company Share against the market valuation of other comparable companies. However, as the Subject Company was loss making for the year ended 30 June 2017, the P/E ratio analysis is hence not applicable. Further, given that the Subject Company is listed on the ASX and is primarily engaged in gold exploration, we have selected comparable companies based on the following criteria: listed companies on the ASX with gold related projects in Australia and have a market capitalisation between A\$45 million to A\$55 million (i.e., being similar in the size to the Subject Company) as at the Last Trading Day. We have identified 9 ASX listed companies which meet the above criteria (the “**Comparable Companies**”). Although the scale of operations, financial position, and future prospects of the Comparable Companies are not exactly the same as the Subject Company, the list of Comparable Companies provides a reference to assess the valuation of the Subject Company in terms of its book value respectively relative to other companies listed on ASX which have similar business and market capitalisation to the Subject Company. The list of Comparable Companies is an exhaustive list and we are of the view that the Comparable Companies are fair, sufficient and representative samples.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (stock code)	Closing price as at the Last Trading Day	Market capitalisation as at the Last Trading Day	Equity attributable to shareholders of the company	P/B <i>(approximate times) (Note)</i>
	<i>(A\$)</i>	<i>(A\$ million)</i>	<i>(A\$ million)</i>	
Cape Lambert Resources Limited (stock code: CFE)	0.061	53.29	(2.64)	N/A
Calidus Resources Limited (stock code: CAI)	0.041	52.55	5.98	8.78
Chalice Gold Mines Limited (stock code: CHN)	0.180	47.02	55.33	0.85
Explaurum Limited (stock code: EXU)	0.120	47.24	11.91	3.97
Gold Mountain Limited (stock code: GMN)	0.100	49.31	12.42	3.97
Hillgrove Resources Limited (stock code: HGO)	0.094	53.48	18.25	2.93
Macphersons Resources Limited (stock code: MRP)	0.14	49.14	15.79	3.11
Queensland Mining Corporation Limited (stock code: QMC)	0.167	49.95	24.48	2.04
Talisman Mining Limited (stock code: TLM)	0.245	45.50	21.62	2.10
Average				3.47
Maximum				8.78
Minimum				0.85
The Subject Company	0.045	52.88	16.36	3.20
	<i>(being the Consideration per Subject Company Share)</i>			

Source: *website of the ASX*

Note: P/B ratio is calculated using the market capitalisation divided by the equity attributable to shareholders of the company as disclosed in their latest audited financial statements.

As shown in the above table, the Comparable Companies were trading at P/B ratios ranging from approximately 0.85 times to approximately 8.78 times, with an average of approximately 3.47 times. Therefore, the P/B (as represented by the Consideration per Subject Company Share) of the Subject Company, being approximately 3.20 times, is within range and also close to the average P/B of the Comparable Companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Other analysis of the Consideration

As set out in the Letter from the Board, the Company has taken into consideration of the options granted by NST to the Subject Company in relation to the Project in determining the Consideration.

As set out in the table under the sub-section headed “Comparable analysis with other comparable companies”, the market capitalisation, based on the Consideration per Subject Company Share of the Subject Company, is approximately A\$53 million (the “**Subject Company Capitalisation**”).

Under the Heads of Agreement, NST has paid A\$11,000,000 in cash and issued 4,290,228 shares of NST to the Subject Company to acquire 25% interest in the Project (the “**Initial Acquisition**”) at the completion of the Initial Acquisition (which has taken place on 31 July 2015), and the Subject Company and NST have formed an unincorporated joint venture on 31 July 2015 for the purpose of advancing the Project. As at the Latest Practicable Date, the Subject Company and NST hold 75% and 25% interest in the Project respectively and NST will earn up to 60% by solely funding during the sole funding period, all expenditure and costs, including all exploration and evaluation costs, assessment and development costs, mining costs of the tenements and refurbishment costs of the process plant and associated infrastructure of the Project, required to bring the Project back into commercial production, which NST has undertaken under the Heads of Agreement to use its best endeavours to procure the occurrence of the same within 3 years from the completion of the Initial Acquisition and will be achieved once the Project’s process plant has been refurbished and is operated for a 30 day period or has produced 5,000 ounces of gold. The sole funding period will expire on the date on which the process plant of the Project has been refurbished to operating condition and has operated for a continuous 30 day period or has produced 5,000 ounces of gold ore (whichever occurs first). On the expiration of the sole funding period, NST will have earned a further 35% interest in the Project, taking NST’s total interest in the joint venture to 60% without paying further consideration. The Subject Company has been granted two options by NST to sell its remaining interest in the Project (the “**Options**”) which include (1) the selling of 15% of the Project for A\$20,000,000 in cash or certain shares of NST of equivalent value at the Subject Company’s election at any time up to the earlier of 31 July 2018 or 30 days following achievement of commercial production, and if such commercial production is achieved after 31 July 2018, the Subject Company may exercise the option at any time up to 30 days following achievement of commercial production; and (2) the selling of 25% of the Project for A\$32,000,000 in cash or certain shares of NST of equivalent value at the Subject Company’s election during the six months after commercial production, subject to the terms and conditions set out in the Heads of Agreement. However, if the Subject Company did not exercise the Options, it would retain 40% interest in the Project. Further details of the Heads of Agreement are also set out in the Letter from the Board. As such the value of the Options is A\$52 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

When the value of the Options of A\$52 million and the audited net asset value of the Subject Company of approximately A\$16.4 million as at 30 June 2017 are taken into account, which has an aggregate value of approximately A\$68.4 million (the “**Subject Company Value**”), is compared with the Subject Company Capitalisation of approximately A\$53 million, the Subject Company Capitalisation represents a discount of approximately 22.5% to the Subject Company Value.

In light of the above and having considered that (i) the Consideration was determined through arm’s length negotiations between the Purchaser and the Vendor; (ii) the Consideration per Subject Company Share is in the low-end range of the closing prices of the Subject Company Shares during the entire Review Period; (iii) the average closing of the Subject Company Share during the Review Period of A\$0.052 is above the Consideration per Subject Company Share; (iv) the P/B (as represented by the Consideration per Subject Company Share) of the Subject Company is within range of the P/B and also close to the average P/B of the Comparable Companies; and (v) the Subject Company Capitalisation is at a discount to the Subject Company Value, we are of the view that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors discussed above and in particular the following:

- (i) the Group’s main business lines comprise of primary strategic investment, resource investment and commodity trading business which primarily have a focus on metals, mining and energy and investment in financial assets;
- (ii) the Subject Company is listed on the ASX and with primary business activity in gold exploration;
- (iii) the favourable trend in the S&P/ASX 300 Metals & Mining Index provides a good indication of the favourable market sentiment of the metals and mining industry;
- (iv) the Consideration per Subject Company Share is in the low-end range of the closing prices of the Subject Company Shares during the entire Review Period;
- (v) the average closing of the Subject Company Share during the Review Period is above the Consideration per Subject Company Share;
- (vi) the P/B (as represented by the Consideration per Subject Company Share) of the Subject Company is within range and also close to the average P/B of the Comparable Companies; and
- (vii) the Subject Company Capitalisation is at a discount to the Subject Company Value,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

we consider the terms of the Share Sale Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business and on normal commercial terms and the Acquisition is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the resolution(s) in respect of the Share Sale Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Beijing Securities Limited
Charles Li
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the interests of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and Underlying Shares

Name of Directors	Capacity in which interests are held	Number of Shares/ underlying Shares held		Approximate percentage of shareholding (Note 1)
		Interests in Shares	Total interests	
Mr. Andrew Ferguson	Beneficial owner	3,750,000	3,750,000	0.47%
Mr. Lee Seng Hui	Other interests	269,858,943 (Note 2)	269,858,943	33.93%

Notes:

- The percentage of shareholding is calculated on the basis of the Company's issued share capital of 795,277,315 Shares as at the Latest Practicable Date.
- Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controls approximately 74.95% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and is therefore deemed to be interested in 269,858,943 Shares in which AGL is deemed to be interested through a wholly-owned subsidiary of APL, its 74.99%-owned subsidiary.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and their respective associates had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the following Directors were directors of companies which had an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Messrs. Lee Seng Hui and Arthur George Dew are directors of APL and Mr. Wong Tai Chun, Mark, alternate director to Mr. Arthur George Dew, is a director of APL. APL, through its subsidiary, is deemed to be interested in, for the purpose of the SFO, 269,858,943 Shares, representing approximately 33.93% of the total issued share capital of the Company.
- (b) Messrs. Lee Seng Hui and Arthur George Dew are directors of AGL. APL is a non wholly-owned subsidiary of AGL. Accordingly, AGL is also deemed to be interested in, for the purpose of the SFO, 269,858,943 Shares, representing approximately 33.93% of the total issued share capital of the Company.
- (c) Mr. So Kwok Hoo is a director of Shougang Fushan Resources Group Limited which, through its wholly-owned subsidiary, is deemed to be interested in, for the purpose of the SFO, 143,400,000 Shares, representing approximately 18.03% of the total issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed directors of the Company (if any) was a director or employee of a company which had any interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, the interests of substantial shareholders (as defined in the Listing Rules) (other than the Directors and chief executives of the Company) in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO were as follow:

Long positions in the Shares and Underlying Shares

Name of shareholders	Capacity in which interests are held	Number of Shares/ underlying Shares held		Approximate percentage of shareholding (Note 1)
		Interests in Shares	Total interests	
Shougang Fushan Resources Group Limited	Interest of a controlled corporation (Note 2)	143,400,000	143,400,000	18.03%
APL	Interest of a controlled corporation (Note 3)	269,858,943	269,858,943	33.93%
AGL	Interest of a controlled corporation (Note 5)	269,858,943	269,858,943 (Note 4)	33.93%
Lee and Lee Trust	Interest of a controlled corporation (Note 6)	269,858,943	269,858,943 (Note 4)	33.93%

Notes:

1. The percentage of shareholding is calculated on the basis of the Company's issued share capital of 795,277,315 Shares as at the Latest Practicable Date.
2. These Shares are held by Benefit Rich Limited ("**Benefit Rich**"), a wholly-owned subsidiary of Shougang Fushan Resources Group Limited ("**Shougang Fushan**"). Accordingly, Shougang Fushan is deemed to have an interest in the Shares in which Benefit Rich is interested.
3. The interests include 269,858,943 Shares held by Allied Properties Investments, a wholly-owned subsidiary of Allied Properties Overseas Limited ("**APOL**") which in turn is a wholly-owned subsidiary of APL. APL is therefore deemed to have an interest in the Shares in which Allied Properties Investments is interested.

4. This represents the same interests of APL in 269,858,943 Shares.
5. APL is a non wholly-owned subsidiary of AGL. AGL is therefore deemed to have an interest in the Shares in which APL is interested.
6. Mr. Lee Seng Hui, Director, together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controls approximately 74.95% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and is therefore deemed to have an interest in the Shares in which AGL is interested through APL.

Save as disclosed herein, there is no person known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered or proposed to enter into a service contract with any member of the Group which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTOR'S INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have since 30 June 2017, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As disclosed in the announcements of the Company dated 24 May 2016 and 1 September 2017, on 24 May 2016 and 1 September 2017, APAC Resources Treasury Management Limited, a wholly-owned subsidiary of the Company subscribed for US\$4.0 million of the five-year guaranteed 4.75% note due 31 May 2021 (the "SHK Loan Note I") and US\$2.5 million of the five-year guaranteed 4.65% note due 8 September 2022 (the "SHK Loan Note II") respectively both issued by Sun Hung Kai & Co. (BVI) Limited (the "Issuer") and guaranteed by Sun Hung Kai & Co. Limited ("SHK"). The Issuer is a wholly-owned subsidiary of SHK. Mr. Lee Seng Hui, a Non-Executive Director, is one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, controlled approximately 74.95% interests in the total number of issued shares of AGL, which in turn owns approximately 74.99% of the total number of issued shares of APL, and which in turn indirectly owns approximately 33.93% of the total number of issued Shares as at the Latest Practicable Date. Since APL indirectly owns approximately 57.29% interests in the total number of issued shares of SHK as at the Latest Practicable Date, Mr. Lee is deemed to be interested in the subscription of the SHK Loan Note I and SHK Loan Note II.

Mr. Chang Chu Fai, Johnson Francis, an Independent Non-Executive Director, has also subscribed for certain notes in the SHK Loan Note I programme in his own personal capacity and was therefore interested in the subscription of the SHK Loan Note I.

As at the Latest Practicable Date, save as disclosed above, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 June 2017, being the date to which the latest published audited financial statements of the Group were made up.

7. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
Beijing Securities Limited	a corporation licensed under the SFO to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance)

As at the Latest Practicable Date, the expert had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

The expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or statements and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, the expert had no interest, direct or indirect, in any assets which since 30 June 2017, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors were aware, the following Directors (not being independent non-executive Directors) were considered to have interests in the businesses listed below which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

- (i) Mr. Arthur George Dew is a director of each of AGL and APL and Mr. Wong Tai Chun, Mark, alternate director to Mr. Arthur George Dew, is a director of APL. AGL and APL, through their subsidiaries, are partly engaged in the business of money lending and through certain of their subsidiaries and close associates, are partly involved in the investment and trading in securities in the resources and related industries and financial instruments;
- (ii) Mr. Lee Seng Hui is a director of each of AGL, APL and Tian An China Investments Company Limited ("**Tian An**"), and also one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, APL, SHK, SHK Hong Kong Industries Limited ("**SHK HK IND**") and Tian An which, through their subsidiaries and close associates, are partly engaged in the businesses as follows:
 - AGL and APL, through their subsidiaries, are partly engaged in the business of money lending and through certain of their subsidiaries and close associates, are partly involved in the investment and trading in securities in the resources and related industries and financial instruments;
 - SHK, through certain of its subsidiaries, is partly engaged in the business of money lending;
 - SHK HK IND, through certain of its subsidiaries, is partly engaged in the trading in listed securities and investment in bonds; and
 - Tian An, through certain of its subsidiaries, is partly engaged in the business of money lending;
- (iii) Mr. Lee Seng Hui is a director of Mount Gibson Iron Limited ("**Mount Gibson**") and Mr. Andrew Ferguson is an alternate director to Mr. Lee Seng Hui in Mount Gibson which, through certain of its subsidiaries, is partly involved in the investment and trading in listed securities in the resources and related industries;
- (iv) Mr. Arthur George Dew and Mr. Wong Tai Chun, Mark are both directors of SHK HK IND which, through certain of its subsidiaries, is partly engaged in the trading in listed securities and investment in bonds; and

- (v) Mr. Arthur George Dew is a non-executive director of each of the Subject Company and Dragon Mining Limited (“**Dragon Mining**”). Mr. Wong Tai Chun, Mark is an alternate director to Mr. Arthur George Dew in each of the Subject Company and Dragon Mining. Mr. Brett Robert Smith is a director of Dragon Mining. The Subject Company and Dragon Mining, through certain of their subsidiaries, are partly involved in the investment and trading in listed securities in the resources and related industries.

Although the above-mentioned Directors have competing interests in other companies by virtue of their respective common directorship or shareholding, they will fulfil their fiduciary duties in order to ensure that they will act in the best interests of the shareholders of the Company and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm’s length from, the businesses of such companies.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at Room 2304, 23rd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to 14 days thereafter:

- (i) the Share Sale Agreement;
- (ii) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 14 to 15 of this circular;
- (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 30 of this circular;
- (iv) the written consent from the Independent Financial Adviser referred to under “Expert’s Qualification and Consent” in this appendix;
- (v) the Heads of Agreement; and
- (vi) this circular.

10. MISCELLANEOUS

In case of any discrepancy, the English text of this circular and the form of proxy shall prevail over the Chinese text.



APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of APAC Resources Limited (the “Company”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 11 April 2018 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the entering into of the share sale agreement dated 2 February 2018 (the “Share Sale Agreement”) between APAC Resources Mining Limited as the buyer (the “Purchaser”) and Allied Properties Resources Limited as the vendor (the “Vendor”) (a copy of the Share Sale Agreement marked “A” has been produced to the SGM and initialed by the chairman of the SGM for the purpose of identification) pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 447,612,786 fully paid ordinary shares of Tanami Gold NL (the “Subject Company”), representing approximately 38.09% of the total issued share capital of the Subject Company as at 13 March 2018, being the latest practicable date prior to the printing of the circular of the Company dated 19 March 2018 (the “Circular”) for the purpose of ascertaining certain information included therein, at the consideration of A\$20,142,575 (equivalent to approximately HK\$126,495,000). The transactions contemplated thereunder, details of which are more particularly described in the Circular, be and is hereby approved, confirmed and ratified; and
- (b) any one of the directors of the Company be and is hereby authorised to execute all such documents and do all such acts and things and to sign all documents and to take any steps as they consider desirable, necessary or expedient in connection with and to give effect to the Share Sale Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 19 March 2018

* For identification purpose only

Notes:

1. Any member entitled to attend and vote at the meeting will be entitled to appoint a proxy or, if such member is a holder of two or more shares, proxies to attend and vote in such member's stead. A proxy need not be a member of the Company but must attend the meeting in person to represent the appointing member.
2. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof (as the case may be) and in such event the instrument appointing the proxy shall be deemed to be revoked.
4. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. To ascertain shareholders' eligibility to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 6 April 2018 to Wednesday, 11 April 2018, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the meeting, all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 4 April 2018.

As at the date of this notice, the Directors of the Company are:

Executive Directors:

Mr. Brett Robert Smith (*Deputy Chairman*)

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

Mr. So Kwok Hoo

Independent Non-Executive Directors:

Dr. Wong Wing Kuen, Albert

Mr. Chang Chu Fai, Johnson Francis

Mr. Robert Moyses Willcocks