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**APAC RESOURCES LIMITED**

亞太資源有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

**ANNOUNCEMENT OF THE FINAL RESULTS  
FOR THE YEAR ENDED 30 JUNE 2018**

The board of directors (the “**Board**”) of APAC Resources Limited (the “**Company**” or “**APAC**”) announces the audited consolidated final results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2018 together with comparative figures for the year ended 30 June 2017 are as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 30 June 2018*

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue	2	<b>156,120</b>	100,476
Cost of sales		<u><b>(114,832)</b></u>	<u>(94,944)</u>
		<b>41,288</b>	5,532
Other gains and losses	4	<b>118,374</b>	551,109
Other income		<b>23,301</b>	47,594
Administrative expenses		<b>(40,412)</b>	(33,725)
Finance costs		<b>(536)</b>	—
Share of results of associates		<u><b>179,130</b></u>	<u>46,863</u>
Profit before taxation	5	<b>321,145</b>	617,373
Income tax credit (expense)	6	<u><b>6,970</b></u>	<u>(68,778)</u>
Profit for the year attributable to owners of the Company		<u><b>328,115</b></u>	<u>548,595</u>
Earnings per share (expressed in HK cents) — basic	8	<u><b>38.31</b></u>	<u>59.68</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit for the year	<u>328,115</u>	<u>548,595</u>
Other comprehensive (expense) income, net of tax		
Items that may be subsequently reclassified to profit or loss:		
Exchange difference arising from translation of associates	(38,695)	29,966
Exchange difference arising from translation of other foreign operations	4,270	(3,533)
Reclassification adjustment upon deemed disposal of partial interests in associates	—	(144)
Reclassification adjustment upon derecognition of interests in associates	—	65,515
Reclassification adjustment upon disposal of available-for-sale investments	—	(82,921)
Reclassification adjustment upon disposal of available-for-sale investments through disposal of a subsidiary	—	(7,067)
Reclassification adjustment upon derecognition of deferred tax liability	(1,463)	—
Fair value changes on available-for-sale investments, net of tax	44,545	128,314
Share of investment revaluation reserve of associates	<u>2,043</u>	<u>1,259</u>
	<u>10,700</u>	<u>131,389</u>
Total comprehensive income for the year attributable to owners of the Company	<u><u>338,815</u></u>	<u><u>679,984</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	<b>2017</b> <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>767</b>	1,103
Interests in associates	9	<b>1,023,743</b>	678,479
Available-for-sale investments		<b>598,049</b>	551,813
Convertible notes		<b>11,263</b>	9,320
Loan notes		<b>51,420</b>	190,362
Loans receivable		<b>236,312</b>	—
		<b><u>1,921,554</u></b>	<b><u>1,431,077</u></b>
<b>Current assets</b>			
Convertible notes		<b>104,986</b>	—
Trade and other receivables	10	<b>28,120</b>	26,854
Equity investments at fair value through profit or loss		<b>455,863</b>	275,727
Loans receivable		<b>162,964</b>	232,138
Pledged bank deposits		<b>29,325</b>	145,167
Bank balances and cash		<b>408,683</b>	805,687
		<b><u>1,189,941</u></b>	<b><u>1,485,573</u></b>
<b>Total assets</b>		<b><u><u>3,111,495</u></u></b>	<b><u><u>2,916,650</u></u></b>

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	<i>12</i>	<b>795,277</b>	919,165
Reserves		<b>396,798</b>	423,264
Accumulated profits		<b><u>1,860,249</u></b>	<u>1,545,921</u>
		<b><u>3,052,324</u></b>	<u>2,888,350</u>
<b>Non-current liability</b>			
Deferred tax liability		<u>—</u>	<u>5,487</u>
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	<b>15,671</b>	21,415
Other borrowings		<b>43,500</b>	—
Tax payable		<u>—</u>	<u>1,398</u>
		<b><u>59,171</u></b>	<u>22,813</u>
Total liabilities		<b><u>59,171</u></b>	<u>28,300</u>
Total equity and liabilities		<b><u>3,111,495</u></b>	<u>2,916,650</u>
Net current assets		<b><u>1,130,770</u></b>	<u>1,462,760</u>
Total assets less total liabilities		<b><u>3,052,324</u></b>	<u>2,888,350</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 1. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional and presentation currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

#### **Amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements but resulted in additional disclosures as set out below:

#### ***Amendments to HKAS 7 “Disclosure Initiative”***

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

## New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>2</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of certain new HKFRSs will have impacts on the consolidated financial statements in the foreseeable future and the details will be disclosed in the Company's annual report 2018.

## 2. REVENUE

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue from trading of commodities	123,531	97,112
Interest income from loans receivable	26,329	3,364
Interest income from convertible notes	5,519	—
Interest income from loan notes	<u>741</u>	<u>—</u>
	<u><u>156,120</u></u>	<u><u>100,476</u></u>

## 3. SEGMENT INFORMATION

Information regularly reviewed by the chief operating decision maker (the “**CODM**”), represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focuses on nature of the Group’s businesses and operations. The Group’s operating and reportable segments are therefore as follows:

- (i) Commodity business (trading of commodities);
- (ii) Resource investment (trading of and investment in listed and unlisted securities of energy and natural resources companies); and
- (iii) Principal investment and financial services (provision of loan financing and investments in loan notes, convertible notes and other financial assets after 1 March 2017).

On 1 March 2017, the Company announced to establish a new segment of principal investment and financial services and, since then, the CODM reviews the financial performance of principal investment and financial services operation. Accordingly, results from principal investment and financial services, which represents the loans receivable granted, loan notes invested and convertible notes acquired since 1 March 2017, are presented as an operating and reportable segment.

Segment results represent the profit by each segment without allocation of central administration costs, directors’ salaries, profit or loss items in relation to associates, gain arising from disposal of a subsidiary, gain arising from disposal of available-for-sale investments, adjustment to carrying amount of loans receivable, unallocated income and gains, unallocated losses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Information regarding the Group's operating and reportable segments is presented below.

**Segment revenue and results**

The following is an analysis of the Group's revenue and results by operating and reportable segment:

**For year ended 30 June 2018**

	<b>Commodity business HK\$'000</b>	<b>Resource investment HK\$'000</b>	<b>Principal investment and financial services HK\$'000</b>	<b>Total HK\$'000</b>
Revenue	<u>123,531</u>	<u>—</u>	<u>32,589</u>	<u>156,120</u>
Gross sales proceeds from resource investment	<u>—</u>	<u>474,321</u>	<u>—</u>	<u>474,321</u>
Segment results	8,778	65,575	31,198	105,551
Share of results of associates				179,130
Reversal of impairment loss on interests in associates, net				50,057
Gain arising from acquisition of additional interest in an associate				5,076
Loss arising from acquisition of an associate				(8,061)
Finance costs				(536)
Unallocated income and gains				23,472
Unallocated expenses and losses				<u>(33,544)</u>
Profit before taxation				<u>321,145</u>



For year ended 30 June 2017

	Commodity business <i>HK\$'000</i>	Resource investment <i>HK\$'000</i>	Principal investment and financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>97,112</u>	<u>—</u>	<u>3,364</u>	<u>100,476</u>
Gross sales proceeds from resource investment	<u>—</u>	<u>481,501</u>	<u>—</u>	<u>481,501</u>
Segment results	2,838	67,400	9,824	80,062
Share of results of associates				46,863
Gains arising from derecognition of interests in associates				189,599
Gain arising from disposal of a subsidiary				22,753
Gain arising from disposal of available-for-sale investments				82,921
Reversal of impairment loss on interest in an associate				82,630
Adjustment to carrying amount of loans receivable				107,720
Loss on deemed disposal of partial interest in an associate				(3,164)
Unallocated income and gains				35,936
Unallocated expenses and losses				<u>(27,947)</u>
Profit before taxation				<u>617,373</u>

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both years.

## Other segment information

Other segment information included in the consolidated statement of profit or loss for the year ended 30 June 2018 are as follows:

Amounts included in the measure of segment profit or loss:

	<b>Commodity business HK\$'000</b>	<b>Resource investment HK\$'000</b>	<b>Principal investment and financial services HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Interest income (included in other income)	3,407	6	1	8,381	11,795
Fair value changes of equity investments at fair value through profit or loss	—	69,224	—	—	69,224
Fair value changes of convertible notes	—	—	5,349	203	5,552
Net foreign exchange gain (loss)	<u>1,125</u>	<u>(5,120)</u>	<u>(9,063)</u>	<u>10,432</u>	<u>(2,626)</u>

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:

	<b>Commodity business HK\$'000</b>	<b>Resource investment HK\$'000</b>	<b>Principal investment and financial services HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Convertible notes	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,263</u>	<u>11,263</u>

Other segment information included in the consolidated statement of profit or loss for the year ended 30 June 2017 are as follows:

Amounts included in the measure of segment profit or loss:

	<b>Commodity business HK\$'000</b>	<b>Resource investment HK\$'000</b>	<b>Principal investment and financial services HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Interest income (included in other income)	2,795	1,713	—	29,292	33,800
Fair value changes of equity investments at fair value through profit or loss	—	55,402	—	—	55,402
Net foreign exchange gain (loss)	<u>2,418</u>	<u>(2,108)</u>	<u>6,547</u>	<u>6,391</u>	<u>13,248</u>

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:

	Commodity business <i>HK\$'000</i>	Resource investment <i>HK\$'000</i>	Principal investment and financial services <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Convertible notes	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,320</u>	<u>9,320</u>

### Segment assets and liabilities

An analysis of the Group's assets and liabilities by operating and reportable segment is set out below:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Commodity business	<b>280,443</b>	286,310
Resource investment	<b>600,711</b>	488,524
Principal investment and financial services	<u><b>524,244</b></u>	<u>238,812</u>
Total segment assets	<b>1,405,398</b>	1,013,646
Interests in associates	<b>1,023,743</b>	678,479
Available-for-sale investments	<b>559,539</b>	533,381
Loan notes	<b>31,515</b>	190,362
Unallocated	<u><b>91,300</b></u>	<u>500,782</u>
Consolidated assets	<u><b>3,111,495</b></u>	<u>2,916,650</u>
Commodity business	<b>2,237</b>	16,899
Resource investment	<u><b>9,801</b></u>	<u>8,845</u>
Total segment liabilities	<b>12,038</b>	25,744
Unallocated	<u><b>47,133</b></u>	<u>2,556</u>
Consolidated liabilities	<u><b>59,171</b></u>	<u>28,300</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than interests in associates, property, plant and equipment, loan notes and convertible notes not managed under principal investment and financial services segment, available-for-sale investments not managed under resources investment segment, certain other receivables and certain bank balances and cash.
- all liabilities are allocated to operating and reportable segments other than certain other payables, other borrowings and tax payable (2017: certain other payables and tax payable).

## Geographical information

The Group's resource investment and principal investment and financial services are mainly carried out in Hong Kong.

Information about the Group's revenue from commodity business is analysed by location of customers; the Group's revenue derived from interest income from loans receivable is analysed by the location where the loan financing is provided; and the Group's revenue derived from interest income of loan notes and convertible notes is analysed by the location where these investments are managed by the Group.

Information about the Group's non-current assets which is presented based on geographical location of assets (where the property, plant and equipment are located and where the associates are incorporated/listed).

Details about geographical locations of the Group's revenue from external customers and its non-current assets are presented below:

	Revenue from external customers		Non-current assets	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Australia	3,036	—	984,511	641,113
Hong Kong	94,555	59,628	501	1,073
The People's Republic of China (the "PRC")	<u>58,529</u>	<u>40,848</u>	<u>39,498</u>	<u>37,396</u>
	<u>156,120</u>	<u>100,476</u>	<u>1,024,510</u>	<u>679,582</u>

## Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are under segment of commodity business and as follows:

	2018 HK\$'000	2017 HK\$'000
Customer A	83,657	N/A <sup>1</sup>
Customer B	N/A <sup>1</sup>	56,264
Customer C	21,432	N/A <sup>1</sup>
Customer D	N/A <sup>1</sup>	20,385
Customer E	N/A <sup>1</sup>	14,815

<sup>1</sup> No revenue attributed from the relevant customer.

#### 4. OTHER GAINS AND LOSSES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Fair value changes of equity investments at fair value through profit or loss, net	69,224	55,402
Fair value changes of convertible notes	5,552	—
Reversal of impairment loss on interests in associates, net	50,057	82,630
Adjustment to carrying amount of loans receivable	—	107,720
Gain arising from acquisition of additional interest in an associate	5,076	—
Loss arising from acquisition of an associate	(8,061)	—
Gain arising from disposal of a subsidiary	—	22,753
Gains arising from derecognition of interests in associates	—	189,599
Gains arising from disposal of available-for-sale investments	—	82,921
Impairment loss on available-for-sale investments	(848)	—
Loss on deemed disposal of partial interests in an associate	—	(3,164)
Net foreign exchange (loss) gain	(2,626)	13,248
	<u>118,374</u>	<u>551,109</u>

#### 5. PROFIT BEFORE TAXATION

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Staff costs, including directors' emoluments		
— salaries and allowances	16,900	17,566
— staff quarters	1,056	1,080
— retirement benefits schemes contributions	318	414
	<u>18,274</u>	<u>19,060</u>
Total staff costs	18,274	19,060
Auditor's remuneration	900	800
Cost of goods recognised as an expense	114,832	94,944
Loss on written-off of property, plant and equipment (included in administrative expense)	—	3
Depreciation of property, plant and equipment	364	431
	<u>133,370</u>	<u>114,238</u>

## 6. INCOME TAX CREDIT (EXPENSE)

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax	—	—
PRC Enterprise Income Tax	—	—
Australian capital gains tax	—	(61,893)
	—	(61,893)
Overprovision in prior years		
Hong Kong Profits Tax	20	—
PRC Enterprise Income Tax	—	65
	20	(61,828)
Deferred tax	6,950	(6,950)
	<u>6,970</u>	<u>(68,778)</u>

## 7. DIVIDENDS

Dividends recognised as distribution during the year:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
2017 interim dividend declared — HK1.5 cents	<u>13,787</u>	<u>—</u>

Subsequent to the end of the reporting period, the directors of the Company declared an interim dividend of HK6 cents per share (in lieu of a final dividend) for the year ended 30 June 2018 (2017 interim dividend (in lieu of a final dividend): HK1.5 cents).

## 8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

### Earnings

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Earnings for the purpose of calculating basic earnings per share:		
Profit for the year attributable to owners of the Company	<u>328,115</u>	<u>548,595</u>

## Number of shares

	2018	2017
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>856,372,709</u>	<u>919,165,198</u>

For the years ended 30 June 2018 and 2017, no separate diluted earnings per share information has been presented as there was no potential ordinary shares of the Company outstanding.

The calculation of earnings per share for the year ended 30 June 2017 was assumed that the Company's share consolidation in year 2017 was effected since 1 July 2016.

## 9. INTERESTS IN ASSOCIATES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Total interests in associates	<u>1,023,743</u>	<u>678,479</u>

On 2 February 2018, the Group entered into a share sale agreement with Allied Properties Resources Limited, an indirect wholly-owned subsidiary of Allied Properties (H.K.) Limited, the substantial shareholder of the Company, for acquisition of 38.09% of the total issued share capital of Tanami Gold NL at a cash consideration of Australian dollar 20,142,575. The acquisition was completed on 5 June 2018.

## 10. TRADE AND OTHER RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	21,432	16,069
Other deposits, other receivables and prepayments	3,842	4,208
Receivable from securities brokers	<u>2,846</u>	<u>6,577</u>
	<u>28,120</u>	<u>26,854</u>

The Group allows an average credit period of 90 days to its trade customers from commodity business. The following is an ageing analysis of trade receivables presented based on the invoice date which approximates the revenue recognition date at the end of the reporting period:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0 to 30 days	<u>21,432</u>	<u>16,069</u>

## 11. TRADE AND OTHER PAYABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables	953	15,379
Other payables	<u>14,718</u>	<u>6,036</u>
	<u><u>15,671</u></u>	<u><u>21,415</u></u>

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0 to 90 days	<u>953</u>	<u>15,379</u>

## 12. SHARE CAPITAL

### Authorised and issued share capital

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares:		
Authorised:		
At 1 July 2016 of HK\$0.1 each	20,000,000,000	2,000,000
Shares consolidation	<u>(18,000,000,000)</u>	<u>—</u>
At 30 June 2017 and 30 June 2018 of HK\$1.0 each	<u>2,000,000,000</u>	<u>2,000,000</u>
Issued and fully paid:		
At 1 July 2016 of HK\$0.1 each	9,191,651,985	919,165
Shares consolidation	<u>(8,272,486,787)</u>	<u>—</u>
At 30 June 2017 of HK\$1.0 each	919,165,198	919,165
Repurchase of ordinary shares ( <i>Note</i> )	<u>(123,887,883)</u>	<u>(123,888)</u>
At 30 June 2018 of HK\$1.0 each	<u>795,277,315</u>	<u>795,277</u>

*Note:* On 4 December 2017, the Company passed an ordinary resolution on a cash offer to the shareholders of the Company to repurchase up to 183,833,040 shares of the Company at an offer price of HK\$1.30 per share. On 28 December 2017, the Company completed the repurchase of 123,887,883 of its own shares at an aggregate amount of approximately HK\$161,054,000. The repurchased shares were cancelled on 28 December 2017 and the issued share capital of the Company was reduced by the nominal value thereof.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Results

APAC Resources Limited (“**APAC**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) reported a net profit attributable to shareholders of the Company of HK\$328,115,000 for the twelve months ended 30 June 2018 (“**FY 2018**”), compared with a net profit attributable to shareholders of the Company of HK\$548,595,000 for the twelve months ended 30 June 2017 (“**FY 2017**”). In our core business segments we generated HK\$105,551,000 which is 32% higher than in FY 2017. Other significant drivers for FY 2018 includes HK\$179,130,000 from our share of results of associates, and HK\$67,506,000 from a reversal of impairment loss on the carrying value of the Group’s investment in Mount Gibson Iron Limited (“**Mount Gibson**”). FY 2017 benefitted from a one-off gain arising from derecognition of our investment in associates of HK\$189,599,000, and HK\$107,720,000 from an adjustment to carrying amount of loans receivable.

### *Primary Strategic Investments*

Our Primary Strategic Investment is in Mount Gibson which is listed and operating in Australia and in FY 2018 we also acquired an investment in Tanami Gold NL (“**Tanami Gold**”). Metals X Limited (“**Metals X**”) is no longer classified as a Strategic Investment after we sold 21.5 million shares in Metals X in July 2016 and 22 million shares in February 2017. The net attributable profit from our Primary Strategic Investment for FY 2018 was HK\$178,306,000 (FY 2017: Net profit of HK\$45,317,000). Mount Gibson reported a FY 2018 net profit after tax of A\$99 million.

### *Mount Gibson*

Mount Gibson is an Australian listed iron ore producer. Mining of Direct Shipping Ore from its Extension Hill mine has ended, and the Iron Hill mine has started production. Mount Gibson approved the Koolan Island Restart Project in April 2017 and then announced an extension to the eastern end of the Main Pit in April 2018.

Mining at Iron Hill commenced in March 2017 and first ore sales were achieved in July 2017. Life of mine sales is expected to total 5.5 to 6.0 million tonnes, with production to end in late 2018.

The Koolan Island Restart Project will reconstruct the seawall and dewater the Koolan Island pit, with reserves increased to 21 million tonnes of 65.5% Fe reserves from 12.8 million tonnes of 66% Fe reserves after extension of the pit. Maximum cash draw for the project has increased from A\$145 million to A\$175 million, while NPV of the project is now A\$252 million assuming Platts 62% Fe of US\$55/dmt and A\$ of 0.75. Site works started in June 2017 and the project is more than 80% complete.

Mount Gibson was awarded a further A\$64 million from the business interruption component of its insurance claim, in addition to the A\$86 million received for the property damage component. The payment was received in July 2017. Negotiations continue with the last outstanding insurer who represents the remaining 7.5% of the business interruption coverage.

Mount Gibson sales guidance for the financial year ending 30 June 2019 is 2.7 million tonnes to 3.3 million tonnes.

Mount Gibson reported a net profit after tax of A\$99 million for the twelve months ended 30 June 2018, boosted by A\$64 million payment for the proceeds of the Koolan Island business interruption insurance settlement. Removing this one-off payment leaves an underlying net profit after tax of A\$35 million from sales of 3.6 million tonnes.

Mount Gibson continued to focus on costs, and all in cash cost was A\$45 per tonne in FY 2018 compared to A\$52 per tonne in FY 2017. Mount Gibson still boasts an impressive cash reserve, including term deposits and tradable investments, ending FY 2018 with A\$457 million or an equivalent of A\$0.416 per share, despite development spending on Koolan Island and paying a dividend of A\$22 million.

The Platts IODEX 62% CFR China index has remained volatile, and during FY 2018 it traded in the range of US\$60/dry metric tonne (“**dmt**”) to US\$80/dmt and is currently around US\$60–65/dmt. Iron ore prices have remained fairly resilient, and earlier in the year were being supported by healthy steel margins and generally stable steel production growth. In recent days, iron ore prices have been dragged down along with the rest of the commodity complex on concerns about the US-China trade war. The discount for low-grade ore remains wide as steel mills prefer medium and high grade ore. We continue to expect average iron ore prices to remain capped in the short term given weak non-China steel demand and continuing supply growth in Brazil and Australia.

### *Tanami Gold*

In June 2018 we acquired 38.09% of Tanami Gold for a consideration of A\$20,142,575 (equivalent to approximately HK\$126,495,000). Tanami Gold’s principal business activity is gold exploration, and currently its key project is 60% of the Central Tanami Project. The remaining 40% is owned by Northern Star Resources Limited (“**Northern Star**”), and under the terms of the joint venture, Northern Star will sole fund all expenditure until commercial production is achieved at the Central Tanami Project. After commercial production is reached, Northern Star can earn additional 35% of the Central Tanami Project and Tanami Gold has an option to sell its remaining 25% of the project to Northern Star for A\$32 million.

Northern Star recently completed a drilling program in the Central Tanami Project targeting an extension to the existing Hurricane-Repulse system. Best results include 17m at 6g/t gold from 17m and 19m at 4.6g/t from 136m.

After 30 June 2018, we acquired an additional 30 million shares in Tanami Gold, and now own 40.6% of Tanami Gold.

## Other Significant Investments

Name of investee company	Number of shares held	For the Year Ended 30 June 2018					As at 30 June 2018	
		Investment cost HK\$'000	Dividend received HK\$'000	Realized gain HK\$'000	Unrealized gain (loss) HK\$'000	Fair value gain (loss) HK\$'000	Carrying value HK\$'000	% of carrying value to the Group's total assets
<b>Available-for-sale investments</b>								
Metals X Limited	55,907,571	241,704	3,492	—	34,739	34,739	259,497	8.3%
Westgold Resources Limited	27,953,786	247,747	—	—	(8,581)	(8,581)	300,042	9.6%
		<u>489,451</u>	<u>3,492</u>	<u>—</u>	<u>26,158</u>	<u>26,158</u>	<u>559,539</u>	
<b>Equity investments at fair value through profit or loss</b>								
Australian Mines Limited	110,884,916	33,226	—	4,151	23,505	27,656	57,258	1.8%
Cobalt 27 Capital Corp.	867,722	52,580	—	2,569	(7,327)	(4,758)	45,484	1.5%
Prodigy Gold NL (formerly ABM Resources NL)	59,067,914	285,389	—	—	(4,237)	(4,237)	29,815	1.0%
		<u>371,195</u>	<u>—</u>	<u>6,720</u>	<u>11,941</u>	<u>18,661</u>	<u>132,557</u>	

Brief description of principal business of the respective investee companies of the significant investments held by the Group:

Name of investee company	Principal Business
Metals X Limited	Operation of tin and copper mines; exploration and development of base metals
Westgold Resources Limited	Exploration, development and operation of gold mines
Australian Mines Limited	Development of nickel and cobalt assets
Cobalt 27 Capital Corp.	Cobalt streaming company
Prodigy Gold NL	Exploration of gold

### *Available-for-sale Investments — Metals X and Westgold Resources*

In July 2016, APAC disposed of 21.5 million shares in Metals X through an on-market transaction. The disposal ties in with APAC's decision to place Metals X under strategic review. Immediately after the disposal, the Group's interest in Metals X decreased to below 20%. Metals X ceased to be an associate of the Group and is now accounted for as an available-for-sale investment. In February 2017 we sold a further 22 million shares in Metals X and 11 million shares in Westgold Resources Limited ("Westgold Resources") for an aggregate consideration of A\$46.2 million.

In December 2016, Metals X spun out its gold assets into Westgold Resources, which now holds the Higginsville, Central Murchison and Fortnum projects. The remaining base metals assets including tin via its 50% interest in the producing Renison mine in Tasmania, copper through the recently acquired Nifty mine of Aditya Birla Minerals Limited (ABY) and nickel through its world scale Wingellina nickel development project remain in Metals X. Both companies remain listed in Australia.

As at 30 June 2018, the carrying value of available-for-sale investments was HK\$598,049,000 (As at 30 June 2017: HK\$551,813,000), which included primarily our investments in Metals X and Westgold Resources. The carrying values of Metals X and Westgold Resources as at 30 June 2018 amounted to HK\$259,497,000 (As at 30 June 2017: HK\$224,758,000) and HK\$300,042,000 (As at 30 June 2017: HK\$308,623,000) respectively and represented approximately 8.3% (As at 30 June 2017: 7.7%) and 9.6% (As at 30 June 2017: 10.6%) of the total assets of the Group. In FY 2018, Metals X generated a fair value gain, net of tax, of approximately HK\$34,739,000 (FY 2017: Gain of HK\$59,873,000) and Westgold Resources reported a fair value loss of approximately HK\$8,581,000 (FY 2017: Gain of HK\$151,362,000).

Westgold Resources produced 253,210 ounces in FY 2018 down 5% year-on-year (“YoY”) driven by a drop in production at the Higginsville (HGO) project and the sale of the South Kalgoorlie project, partially offset by a ramp up at the the Fortnum Gold Project and improved production at the Central Murchison Gold Projects (CMGP). Westgold Resources forecasts that production will reach 300,000 to 320,000 ounces in the twelve months ended 30 June 2019, and increase to greater than 350,000 ounces in the twelve months ended 30 June 2020 as its growth projects continue to ramp up.

The gold price was fairly stable until March 2018, but has since weakened as the US dollar has strengthened on the back of interest rate increases, expectations for ongoing Fed tightening and a strong US economy. The outlook for interest rate hikes in other large economies such as UK and Europe are increasing as well, which makes gold comparatively less attractive. The gold price is now trading around US\$1,200 per ounce and we expect the gold price to remain linked to sentiment around the US dollar, the pace of Fed rate hikes, although geopolitical tensions remain high which could elevate its safe haven status.

At Metals X, Renison mine produced 3,370 tonnes of tin (net 50% basis) down 3% YoY, while the average realised tin price of A\$26,595 per tonne was essentially flat YoY. Metals X is now commissioning the ore sorter, which is expected to increase production to roughly 4,000 tonnes of tin (net 50% basis) by removing waste feed before it enters the processing circuit.

After acquiring the Nifty mine in August 2016, Metals X set a target copper production rate of 40,000 tonnes per annum. However, the ramp up has been impacted by its ability to access higher grade stopes and in the most recent June 2018 quarter, production was running at an annualized rate of 15,200 tonnes per annum. Metals X has now completed stoping plans to support the 5 year mine plan, opened up additional mining areas, and expect to ramp up production to a target rate of 40,000 tonnes per annum over the next 12–18 months.

Tin prices remained largely range bound in FY 2018, trading between US\$19,000 per tonne and US\$22,000 per tonne. However recently, tin prices have been dragged down with other commodities. We remain bullish on the medium term outlook for tin due to the lack of significant supply growth. Copper prices were strong until mid June, reaching a multi-year high of US\$7,275 per tonne. However, like other commodities, it has sold off heavily, particularly after a strike at the Escondida mine was averted.

### ***Equity investments at fair value through profit or loss — Resource Investment***

The investments in this division comprise mostly minor holdings in various natural resource companies listed on major stock exchanges including Australia, Canada, Hong Kong, the United Kingdom and the US. Our investments focus on select commodities within several commodity segments, namely energy, bulk commodities, base metals, and precious metals. Some of our positions are exploration or development stage companies and this section of the market is particularly sensitive to risk aversion, lower commodity prices, and the difficult financing markets.

Resource Investment posted a fair value gain of HK\$69,224,000 in FY 2018 (FY 2017: Gain of HK\$55,402,000), which after accounting for segment related dividend and other investment income and expenses, resulted in a segment profit of HK\$65,575,000 (FY 2017: Profit of HK\$67,400,000).

Our Resource Investment division includes the results of the two new resource portfolios which were announced in August 2016. After a strong start in early FY 2018, the metals sector weakened, dragged down by falling commodity prices. From 1 July 2017 to 30 June 2018 the average performance from a number of small cap resources indices averaged -11% (includes the Dow Jones Us Mining Index, FTSE AIM Basic Resources Index and the TSX Venture Composite Index among others). Oil prices have generally improved throughout FY 2018, although it has similarly been impacted by recent concerns relating to the trade war. US and Canadian gas prices remained weak throughout FY 2018. The average performance of several small cap oil and gas indices has averaged +18% in FY 2018 (includes the S&P TSX Small Cap Energy Index and S&P 500 Energy Sector among others).

### ***Precious***

Precious metals (majority gold exposure) generated a net fair value gain of HK\$682,000 in FY 2018 while the gold price was up 2%. As at 30 June 2018, the carrying value of the Precious segment was HK\$73,130,000 (As at 30 June 2017: HK\$66,744,000). Our largest gold investment is in Prodigy Gold (ASX: PRX) which generated a fair value loss of HK\$4,237,000 with carrying value as at 30 June 2018 of HK\$29,815,000. This was comfortably offset by gains in a number of smaller positions including Medusa Mining (ASX: MML) and Perseus Mining (ASX: PRU).

Prodigy Gold is a gold exploration company listed on the Australian Securities Exchange. Its exploration portfolio is located in the Tanami Gold district in Northern Territory with resource of 15.7Mt at 2g/t. It is focused on drilling out several prospective areas including Bluebush and Suplejack and has farmed out acreage to Independence Group, Newcrest and Thunderbird Metals. Its major

shareholders include two reputable ASX listed gold companies, St Barbara and Independence Group. At 30 June 2018 Prodigy Gold has A\$6.1 million cash and no debt, which will be used to fund its ongoing exploration program.

### *Bulk*

Bulk commodities (predominantly iron ore) generated a fair value gain of HK\$1,999,000 even though iron ore prices fell 3% during FY 2018. As at 30 June 2018, the carrying value was HK\$11,010,000 (As at 30 June 2017: HK\$4,718,000). Within this segment, our significant investments include Grange Resources (ASX: GRR), which generated a fair value gain of HK\$585,000 in FY 2018.

### *Base Metals*

Base Metals segment (a mix of copper, nickel, aluminium and cobalt companies) delivered a fair value gain of HK\$50,254,000 in FY 2018 as the copper, aluminium and cobalt prices increased by 10%, 11% and 30% respectively. The Base Metals segment includes our investment in Cobalt 27 (TSX: KBLT) which generated a fair value loss of HK\$4,758,000 in FY 2018 and had a carrying value of HK\$45,484,000 as at 30 June 2018 (As at 30 June 2017: HK\$24,308,000), Australian Mines (ASX: AUZ) which generated a fair value gain of HK\$27,656,000 in FY 2018 and had a carrying value as at 30 June 2018 of HK\$57,258,000 (As at 30 June 2017: HK\$3,964,000) and Katanga Mining (TSX: KAT) listed in Canada, which generated a fair value gain of HK\$6,473,000 in FY 2018 and had a carrying value as at 30 June 2018 of HK\$16,812,000 (As at 30 June 2017: HK\$14,426,000).

Cobalt 27 is a cobalt investment vehicle that invests in streams and royalties. It currently owns around 3,000 tonnes of physical cobalt which was valued at US\$265 million at 30 June 2018. It acquired one stream and is in the process of acquiring a second stream, and owns 6 royalties over projects that are currently in the exploration phase. The first royalty is from the Voiseys Bay mine which is expected to start production in 2021, and the second is the Ramu Nickel-Cobalt Mine which is currently in production.

Australian Mines is focused on development of the Sconi Cobalt-Nickel-Scandium project in Queensland which has a resource of 89Mt at 0.11% Cobalt and 0.81% Nickel. It is currently working on a Bankable Feasibility Study while it continues with its resource extension drilling campaign. It has signed an offtake with SK Innovation for up to 12,000 tonnes of cobalt sulphate per year for an initial 7 year period.

### *Energy*

The Energy segment (mainly oil exposure) had a fair value gain of HK\$5,462,000 in FY 2018 driven by an oil price increase of 58%. Our significant Energy investments include Gran Tierra (TSX: GTE), which generated a fair value gain of HK\$3,443,000 and had a carrying value as at 30 June 2018 of HK\$8,373,000 (As at 30 June 2017: HK\$6,232,000) and Sinopec Corp (Stock Code: 386), which generated a fair value gain of HK\$1,380,000 and had a carrying value as at 30 June 2018 of HK\$10,515,000. Gains in smaller positions including Premier Oil and Beach Energy.

## *Others*

We also have a fair value gain of HK\$10,827,000 from the remaining commodity (diamonds, manganese and mineral sands) and non-commodity investments in FY 2018 and had a carrying value as at 30 June 2018 of HK\$67,786,000 (As at 30 June 2017: HK\$36,743,000). This segment includes our investment in Mineral Deposits (ASX: MDL) listed in Australia, which generated a fair value gain of HK\$19,298,000 and had a carrying value as at 30 June 2018 of HK\$28,833,000 (As at 30 June 2017: HK\$19,731,000).

## ***Commodity Business***

Our iron ore offtakes at Koolan Island and Tallering Peak have ceased to deliver shipments with both mines closed, so we are now looking for new offtake opportunities across a range of commodities. For FY 2018, our Commodity Business generated a profit of HK\$8,778,000 (FY 2017: Profit of HK\$2,838,000).

## ***Principal Investment and Financial Services***

The principal Investment and financial services segment, which covers the income generated from loans receivable, loan notes, convertible notes and other financial assets. For FY 2018, this segment generated a profit of HK\$31,198,000 (FY 2017: HK\$9,824,000).

## ***Money Lending***

The Group engaged in money lending activities under the Money Lenders Ordinance of Hong Kong. For FY 2018, the revenue and profits generated from money lending formed part of results of the principal investment and financial services segment.

## **Liquidity, Financial Resources and Capital Structure**

As at 30 June 2018, our non-current assets amounted to HK\$1,921,554,000 (As at 30 June 2017: HK\$1,431,077,000) and net current assets amounted to HK\$1,130,770,000 (As at 30 June 2017: HK\$1,462,760,000) with a current ratio of 20.1 times (As at 30 June 2017: 65.1 times) calculated on the basis of its current assets over current liabilities. Included in non-current assets and current assets are loan notes of HK\$51,420,000 (As at 30 June 2017: HK\$190,362,000) and loans receivable of HK\$399,276,000 (As at 30 June 2017: HK\$232,138,000).

As at 30 June 2018, we had borrowings of HK\$43,500,000 (As at 30 June 2017: Nil) and had undrawn banking facilities amounting to HK\$182,581,000 secured against certain term deposits of the Group. As at 30 June 2018, we had a gearing ratio of 0.01 (As at 30 June 2017: Nil), calculated on the basis of total borrowings over equity attributable to owners of the Company.

## **Foreign Exchange Exposure**

For the year under review, the Group's assets were mainly denominated in Australian Dollars while the liabilities were mainly denominated in United States Dollars and Hong Kong Dollars. There would be no material immediate effect on the cash flows of the Group from adverse movements in foreign exchange for long term investments. In additions, the Group is required to maintain foreign currency exposure to cater for its present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. In light of this, the Group did not actively hedge for the risk arising from the Australian Dollars denominated assets. However, the Group will closely monitor this risk exposure as required.

## **Pledge of Assets**

As at 30 June 2018, the Group's bank deposits of HK\$29,325,000 (As at 30 June 2017: HK\$145,167,000) were pledged to banks to secure various trade and banking facilities granted to the Group. The pledged bank deposits fully released in August 2018 whilst the related trade and banking facilities remains.

## **Employees and Emolument Policy**

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance with its remuneration policies reviewed on a regular basis. All employees are entitled to participate in the Company's benefit plans including medical insurance and pension fund schemes including the Mandatory Provident Fund Scheme (subject to the applicable laws and regulations of the PRC for its employees in the PRC).

As at 30 June 2018, the Group, including its subsidiaries but excluding associates, had 14 (As at 30 June 2017: 18) employees. Total remuneration together with pension contributions incurred for the year ended 30 June 2018 amounted to HK\$10,681,000 (FY 2017: HK\$10,543,000).

## **Principal Risks**

The Group adopts a comprehensive risk management framework. Policies and procedures are developed, regularly reviewed and updated to enhance risk management and react to changes in market conditions and the Group's business strategy. The audit committee of the Company reviews the Group's policies and scrutinises that management has performed its duty to have effective risk management and internal control systems necessary for monitoring and controlling major risks arising from the Group's business activities, changing external risks and the regulatory environment, and reports to the Board on the above.



## **Financial Risk**

Financial risk includes market risk, credit risk and liquidity risk. Market risk concerns that the value of an investment will change due to movements in market factors and which can be further divided into foreign currency risk, interest rate risk and other price risk. Credit risk is the risk of losses arising from clients or counterparties failing to make payments as contracted. Liquidity risk concerns that a given security or asset cannot be traded readily in the market to prevent a loss or make the required profit.

## **Operational Risk**

The Group faces various operational risks which are concerned with possible losses caused by human factors, inadequate or failed internal processes, systems or external events. Operational risk is mitigated and controlled through establishing robust internal controls, proper segregation of duties and effective internal reporting.

The business and operating line management are responsible for managing the operational risks of their business units on a day-to-day basis. Each department head has to identify risks, evaluate the effectiveness of key controls in place and assess whether the risks are effectively managed. Independent monitoring and reviews are conducted by the internal audit team which reports regularly to the respective senior management and the audit committee of the Company.

## **Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Associated Companies, and Future Plans for Material Investments or Capital Assets**

Save as disclosed in this announcement, during the year ended 30 June 2018, the Group had not held any other significant investments nor made any material acquisitions or disposals of subsidiaries or associated companies. Save as disclosed in this announcement, as at 30 June 2018, the Group does not have plan for any other material investments or acquisition of material capital assets.

## **Capital Commitments**

As at 30 June 2018 and 30 June 2017, the Group had no material capital commitments contracted but not provided for.

## **Contingent Liabilities**

As at the date of this announcement and as at 30 June 2018, the Board is not aware of any material contingent liabilities.

## **Company Strategy**

APAC leverages its in-house natural resources expertise to identify and manage both Primary Strategic Investment and Resource Investment which drives growth in the business. We aim to profit from the value curve of resources projects from exploration to production, though currently see good risk-reward in select mid-tier producers. Value and cash flow can be generated through capital appreciation, direct project ownership and securing offtake agreements.

The commodity market has been volatile during the year under review. Looking forward, the Board believes that the performance of the equities will be dependent on market sentiment which is affected by factors such as commodity prices, interest rate movements, geo-political conditions and performance of the macro economy. In order to mitigate the associated risks, the Group will review its investment strategy regularly and take appropriate actions whenever necessary in response to changes in market situation. In addition, the Group will also seek potential investment opportunities to diversify its investment portfolio with an aim to maximize value for the shareholders.

### **Forward Looking Observations**

Global economic outlook is uncertain. While US growth remains robust as seen in strong quarterly GDP numbers, the impact of its trade war with China has yet to be fully realized. The Chinese economy had generally been cooling on the back of deleveraging policies, however the impact of US tariffs is likely to mute the economy further, which the government expects to mitigate through fiscal stimulus. Mount Gibson is underpinned by a large cash reserve, and is focused on its Koolan Island Restart Project, with the seawall under construction and production expected in early 2019. This is a timely development given the large disparity between low grade and high grade iron ore, and once in operations, Koolan Island will be the highest grade DSO mine in Australia. Our new investment portfolios are the platform for future mining and energy investments. We remain defensive and selective with our investments in the near term, and continue to look for high quality opportunities which will generate attractive returns over the long run.

### **DIVIDEND**

The Board has declared an interim dividend of HK6 cents per share (in lieu of a final dividend) for the year ended 30 June 2018 (2017 interim dividend (in lieu of a final dividend): HK1.5 cents per share) with an option to receive the interim dividend (in lieu of a final dividend) wholly or partly in the form of new fully paid shares in lieu of cash (“**Scrip Dividend Scheme**”), payable on or around Monday, 17 December 2018 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 12 October 2018.

The Scrip Dividend Scheme is conditional upon the granting of the listing of and permission to deal in the new shares of the Company to be issued under the Scrip Dividend Scheme by the Listing Committee of The Stock Exchange of Hong Kong Limited. A circular giving full details of the Scrip Dividend Scheme and the election form will be sent to the shareholders of the Company as soon as practicable. Dividend warrants and/or share certificates for the scrip shares are expected to be sent to the shareholders of the Company on or around Monday, 17 December 2018.

During the year ended 30 June 2018, the Company undertook a share buy back at HK\$1.30 per share. This enabled shareholders who wished to dispose shares an opportunity to do so at a price which the Board considered appropriate and reasonable for the Company and all its shareholders.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

On 19 December 2017, the Company repurchased a total of 123,887,883 shares of the Company at an offer price of HK\$1.30 per share for an aggregate consideration (before expenses) of approximately HK\$161,054,000 pursuant to a conditional cash offer to repurchase shares of the Company as set out in the offer document dated 16 November 2017 which became unconditional on 4 December 2017 and completed on 28 December 2017, and all of which were cancelled on 28 December 2017.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2018.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

During the year ended 30 June 2018, the Company has applied the principles of, and fully complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **REVIEW OF RESULTS BY AUDIT COMMITTEE**

The Group's final results for the year ended 30 June 2018 have been reviewed by the audit committee of the Company.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY 2018 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the FY 2018. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

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

Hong Kong, 21 September 2018

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*) and Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-Executive Directors

Mr. Arthur George Dew (*Chairman*) (*Mr. Wong Tai Chun, Mark as his alternate*), Mr. Lee Seng Hui and Mr. So Kwok Hoo

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks

\* *For identification purpose only*