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APAC RESOURCES
APAC RESOURCES LIMITED
亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

(Warrant Code: 1074)

DISCLOSEABLE TRANSACTION

ACQUISITION OF SHARES IN KAZATOMPROM

The Board announces that on 14 January 2022 (London time zone), the Subsidiary acquired in aggregate 10,000 shares in Kazatomprom (representing approximately 0.004% of the total issued share capital of Kazatomprom as at the date of this announcement) through on-market transactions conducted on the LSE for an aggregate consideration of approximately US\$338,000 (equivalent to approximately HK\$2,632,000) (exclusive of transaction costs), representing approximately US\$33.8 (equivalent to approximately HK\$263.2) per share.

Prior to the Acquisition, the Subsidiary acquired an aggregate of 260,000 shares in Kazatomprom within a 12-month period prior to the date of the Acquisition (representing approximately 0.100% of the total issued share capital of Kazatomprom as at the date of this announcement) through on-market transactions conducted on the LSE for an aggregate consideration of approximately US\$8,731,000 (equivalent to approximately HK\$67,969,000) (exclusive of transaction costs), representing approximately US\$33.6 (equivalent to approximately HK\$261.4) per share.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) for the Acquisition does not exceed 5% on a stand-alone basis, the Acquisition is not subject to disclosure requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratio(s) for the Acquisition, when aggregated with the Previous Acquisitions which were conducted within 12 months of the Acquisition, is more than 5% but all are less than 25%, the Acquisition together with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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After the Acquisitions, the Group holds 270,000 shares in Kazatomprom, representing approximately 0.104% of the total issued share capital of Kazatomprom as at the date of this announcement.

As the Acquisitions were conducted through the open market, the identity(ies) of the counterparty(ies) of the Acquisitions cannot be ascertained by the Group. However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Directors believe that the counterparty(ies) and its/their ultimate beneficial owner(s) in the Acquisitions is/are Independent Third Parties.

CONSIDERATION

The aggregate consideration for the Acquisitions is approximately US\$9,069,000 (equivalent to approximately HK\$70,601,000) (exclusive of transaction costs) and shall be/have been (as the case may be) fully settled in cash from the Company's internal resources.

The consideration of the Acquisitions were determined by reference to the prevailing trading prices of the shares of Kazatomprom on the LSE at the time of the relevant acquisitions.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange. The Group is an established investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment, resource investment, and commodity trading business, focused primarily on metals, mining and energy and investment in financial assets.

INFORMATION ON KAZATOMPROM

Kazatomprom is a joint stock company set up in accordance with regulations of the Republic of Kazakhstan, the shares of which are listed on the AIX (Stock Code: KAP) and LSE (Stock Code: KAP). As Kazakhstan's national operator for the export and import of uranium and its compounds, nuclear power plant fuel, special equipment and technologies, Kazatomprom is the world's largest producer and seller of natural uranium used for the generation of nuclear power around the world, with its mines and subsidiary processing operations located in Kazakhstan.

Based on the audited consolidated financial statements of Kazatomprom, the consolidated net profit before and after taxation for the financial years ended 31 December 2019 and 2020 and the consolidated net assets of Kazatomprom as at 31 December 2019 and 2020 are as follows:

	For the year ended 31 December			
	2020		2019	
	<i>KZT million</i>	<i>HK\$ million</i>	<i>KZT million</i>	<i>HK\$ million</i>
Consolidated net profit before taxation	285,144	5,244	247,255	5,054
Consolidated net profit after taxation	221,368	4,071	213,749	4,369

	As at 31 December			
	2020		2019	
	<i>KZT million</i>	<i>HK\$ million</i>	<i>KZT million</i>	<i>HK\$ million</i>
Consolidated net assets	1,339,792	24,639	1,242,154	25,390

According to the unaudited financial information of Kazatomprom as at 30 June 2021, Kazatomprom had net assets of approximately KZT1,228,130,000,000 (equivalent to approximately HK\$22,217,000,000).

Note: The translation of KZT into HK\$ is based on the exchange rate of KZT1 to HK\$0.02044, KZT1 to HK\$0.01839 and KZT1 to HK\$0.01809 as at 31 December 2019, 31 December 2020 and 30 June 2021 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Following the tragic event in Fukushima in 2011 and a closure of a significant number of nuclear reactions, the uranium industry has suffered from a significant oversupply. However, the uranium market moved into large deficits from 2020/21 following substantial supply cuts, led by market leaders such as Kazatomprom and Cameco, and such supply shortfall is expected to continue until 2023. Despite the recent price rally in spot uranium, prices remain well below the incentive price levels. There are also other factors which are conducive to the uranium industry, including the ongoing Chinese reactor build out, the potential classification of nuclear energy as "sustainable" (subject to certain conditions) under the EU taxonomy classification system by the European Union, and continued buying by the Sprott Physical Uranium Trust. Being the world's largest and lowest cost producer of uranium, Kazatomprom is an attractive vehicle for uranium price leverage, and therefore, the Directors believe the Acquisitions are reasonable investments and may enhance the returns on investment of the Company.

As the Acquisitions were traded at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) for the Acquisition does not exceed 5% on a stand-alone basis, the Acquisition is not subject to disclosure requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratio(s) for the Acquisition, when aggregated with the Previous Acquisitions which were conducted within 12 months of the Acquisition, is more than 5% but all are less than 25%, the Acquisition together with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of 10,000 shares in Kazatomprom in aggregate by the Subsidiary through on-market transactions conducted on the LSE on 14 January 2022 (London time zone) for an aggregate consideration of approximately US\$338,000 (equivalent to approximately HK\$2,632,000) (exclusive of transaction costs);
“Acquisitions”	the Acquisition and the Previous Acquisitions;
“AIX”	the Astana International Exchange;
“Board”	the board of Directors;
“Company”	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 1104 and Warrant Code: 1074);
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Kazatomprom”	National Atomic Company Kazatomprom Joint Stock Company, a joint stock company set up in accordance with regulations of the Republic of Kazakhstan, the shares of which are listed on the AIX (Stock Code: KAP) and LSE (Stock Code: KAP);
“KZT”	Kazakhstani Tenge(s), the national currency of the Republic of Kazakhstan;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LSE”	the London Stock Exchange;
“Previous Acquisitions”	the acquisitions of 260,000 shares in Kazatomprom in aggregate by the Subsidiary through on-market transactions conducted on the LSE within a 12-month period prior to the date of the Acquisition for an aggregate consideration of approximately US\$8,731,000 (equivalent to approximately HK\$67,969,000) (exclusive of transaction costs);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	APAC Resources Commodity Trading Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company;
“US\$”	United States dollar(s), the lawful currency of the United States of America; and
“%”	per cent.

Unless otherwise stated, amounts in US\$ have been translated into HK\$ at the exchange rate on the relevant dates of the Acquisition and the Previous Acquisitions at HK\$7.7870 and HK\$7.7848 respectively to US\$1 for illustration purpose only. No representation has been made that any amount in US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

By Order of the Board
APAC Resources Limited
Andrew Ferguson
Executive Director

Hong Kong, 17 January 2022

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

Executive Directors

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

Non-Executive Directors

Mr. Arthur George Dew (*Chairman*) (*Mr. Wong Tai Chun, Mark as his alternate*),
Mr. Lee Seng Hui and Ms. Lam Lin Chu

Independent Non-Executive Directors

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

* *For identification purpose only*