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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 THE TARGET COMPANY**

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On 2 March 2022, the Purchaser, a direct wholly-owned subsidiary of the Company, received the Acceptance of Tender in relation to the successful tender by the Purchaser for the acquisition of the Sale Shares at the Consideration of HK\$75,000,000.

**LISTING RULES IMPLICATIONS**

As the Purchaser is a direct wholly-owned subsidiary of the Company, the Acquisition entered into by the Purchaser 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.

As the applicable percentage ratio(s) for the Acquisition is more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to announcement requirement but exempt from shareholders’ approval requirement under Chapter 14 of the Listing Rules.

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The details of the Acceptance of Tender and the Acquisition are as follows:

### **Date of the Acceptance of Tender**

2 March 2022

### **Parties**

- (1) The Vendors
- (2) The Purchaser

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors and their respective beneficial owners are Independent Third Parties.

### **Assets to be acquired**

The Sale Shares (representing the total number of issued shares of the Target Company)

### **Information of the Target Company**

Based on the information provided by the Vendors, the Target Company is a company incorporated in Hong Kong with limited liability and is an investment holding company. The only investment that the Target Company holds is its 45% equity interest in Huaneng Shouguang.

Huaneng Shouguang is a sino-foreign joint venture enterprise incorporated in the PRC and engages in the development, operation, management, production and sale of electricity for wind power plants, as well as provision of electricity project consulting and other related services.

Set out below is the financial information of the Target Company for the two years ended 31 March 2021 as extracted from its unaudited financial statements based on the information provided by the Vendors:

	For the year ended 31 March 2020 <i>(Unaudited)</i> <i>HK\$'000</i>	<b>For the year ended 31 March 2021 <i>(Unaudited)</i> <i>HK\$'000</i></b>
Net loss before tax	17	<b>18</b>
Net loss after tax	17	<b>18</b>

According to the unaudited financial information of the Target Company as at 31 March 2021, the Target Company had net assets of approximately HK\$93,223,000.

### **Consideration and payment terms**

The Consideration for the Acquisition shall be HK\$75,000,000, and shall be payable in the following manner:

- (i) a sum of HK\$5,000,000, being the initial deposit and in part payment of the Consideration, has been paid by the Purchaser to the Vendors (or its nominee) as earnest monies upon submission of tender by the Purchaser;
- (ii) a sum of HK\$32,500,000, being a further deposit and in part payment of the Consideration, shall be paid by the Purchaser to the Vendors upon signing of the Formal Agreement; and
- (iii) a sum of HK\$37,500,000, being the balance of the Consideration shall be paid on the Completion Date.

Should the Purchaser fail to execute the Formal Agreement by 12 March 2022 or such further extended time as agreed between the Vendors and the Purchaser, the initial deposit of HK\$5,000,000 paid by the Purchaser shall be forfeited in full.

The Consideration was determined by the Purchaser after taking into account the net asset value of the Target Company of HK\$93,223,000 as at 31 March 2021, and the prospect of Huaneng Shouguang.

The Consideration shall be financed by internal resources of the Group and/or borrowings.

The Vendors will be required to deliver the Completion Accounts to the Purchaser on the Completion Date. The Purchaser shall have the right, the exercise of which is at its discretion, to adjust and reduce the Consideration by such amount of liabilities owed by the Target Company to third party(ies) as shown in the Completion Accounts.

### **Completion**

The completion of the Acquisition shall take place on the Completion Date.

Upon Completion, the Target Company shall become an indirect wholly-owned subsidiary of the Company.

## **INFORMATION ON THE COMPANY, THE GROUP, THE PURCHASER AND THE VENDORS**

### **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.

### **The Purchaser**

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

### **The Vendors**

The Vendors are the joint and several receivers and managers of FDG Kinetic, being Tang Chung Wah, Hou Chung Man and Kan Lap Kee, all of SHINEWING Specialist Advisory Services Limited, acting without personal liability.

FDG Kinetic is a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 378) and, as at the date of this announcement, are currently suspended in trading. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, FDG Kinetic and its beneficial owners are Independent Third Parties.

## **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 resource investment and primary strategic investment business segments.

The principal asset of the Target Company is its 45% equity interest in Huaneng Shouguang, which is principally engaged in the development, operation, management, production and sale of electricity for wind power plants, as well as provision of electricity project consulting and other related services. Having considered (i) the discount of the Consideration to the net asset value of the Target Company; and (ii) the prospect of Huaneng Shouguang, the Directors believe the Acquisition is a reasonable investment opportunity for the Group to further extend its natural resources investment and may enhance the returns on investment for the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Acquisition is 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 Purchaser is a direct wholly-owned subsidiary of the Company, the Acquisition entered into by the Purchaser 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.

As the applicable percentage ratio(s) for the Acquisition is more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to announcement requirement but exempt from shareholders’ approval requirement 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:

“Acceptance of Tender”	the letter of the tender acceptance dated 2 March 2022 granted by the Vendors to the Purchaser;
“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendors through tender and pursuant to the Formal Agreement;
“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);
“Completion Accounts”	the unaudited management accounts of the Target Company at a date prior to the Completion Date to be agreed by the Vendors and the Purchaser;
“Completion Date”	19 March 2022 (or such other date as may be agreed in writing between the parties to the Formal Agreement);
“Consideration”	the total consideration payable by the Purchaser to the Vendors for the Acquisition, being HK\$75,000,000;

“Directors”	the directors of the Company;
“FDG Kinetic”	FDG Kinetic Limited (Receivers and Managers Appointed and in Liquidation), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 378) and, as at the date of this announcement, are currently suspended in trading;
“Formal Agreement”	the formal sale and purchase agreement to be entered into by the Purchaser and the Vendors no later than 12 March 2022 in relation to the Acquisition;
“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 PRC;
“Huaneng Shouguang”	華能壽光風力發電有限公司 (Huaneng Shouguang Wind Power Co., Ltd. <sup>#</sup> ), a sino-foreign joint venture enterprise incorporated in the PRC owned as to 45% by the Target Company and 55% by 華能新能源產業控股有限公司 (now known as 華能新能源股份有限公司) (Huaneng Renewables Corporation Limited <sup>#</sup> );
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China;
“Purchaser”	Accardo Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company, being the purchaser of the Sale Shares under the Acquisition;

“Sale Shares”	two ordinary shares in the share capital of the Target Company, representing the total number of issued shares of the Target Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Bowen Limited, a company incorporated in Hong Kong with limited liability;
“Vendors”	collectively, the joint and several receivers and managers of FDG Kinetic, being Tang Chung Wah, Hou Chung Man and Kan Lap Kee, all of SHINEWING Specialist Advisory Services Limited, acting without personal liability, being the vendor of the Sale Shares under the Acquisition; and
“%”	per cent.

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

Hong Kong, 2 March 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*

# *The English translation of the Chinese name of the relevant entity included in this announcement is for identification and reference only, and such translation may not be accurate and such entity may not have an official English translation/version of its Chinese name.*