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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)**

- (1) PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE  
FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE;  
(2) CONNECTED TRANSACTION IN RELATION TO  
THE UNDERWRITING ARRANGEMENT;  
(3) POSSIBLE MANDATORY CONDITIONAL CASH OFFER FOR THE  
SHARES; AND  
(4) RESUMPTION OF TRADING**

#### **PROPOSED OPEN OFFER**

The Company proposes to raise not more than approximately HK\$306.4 million before expenses by issuing not more than 3,063,883,995 Offer Shares at the subscription price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date.

The Open Offer is only available to the Qualifying Shareholders. In order to qualify for the Open Offer, all transfer forms accompanied by the relevant share certificates must be lodged with the Registrar by 4:30 p.m. on 10 June 2015 and Shareholders must not be Prohibited Shareholders. The register of members of the Company will be closed from 11 June to 17 June 2015, both dates inclusive, for the purpose of determining the entitlements of the Qualifying Shareholders for the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscribers to subscribe for all the Underwritten Shares which have not been taken up. Taking into account the Taskwell Irrevocable Undertaking and the VOL Irrevocable Undertaking, the Open Offer is fully underwritten.

## **WARNING OF THE RISK OF DEALING IN THE SHARES**

**The Open Offer is conditional, *inter alia*, upon the fulfillment of the conditions set out in the section headed “Conditions of the Underwriting Agreement”. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described in this announcement. The Open Offer is also subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Open Offer may or may not proceed.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.**

## **POSSIBLE MANDATORY CASH OFFER**

As at the date of this announcement, VOL and Taskwell are interested in an aggregate of 1,519,760,849 Shares, representing approximately 24.80% of the issued share capital of the Company. In the event that VOL is called upon to subscribe for the Offer Shares pursuant to the Underwriting Agreement (assuming nil subscription by the Qualifying Shareholders under the Open Offer other than VOL and Taskwell and that there are no Prohibited Shareholders), the shareholding interest of VOL and Taskwell will increase from approximately 24.80% to a maximum of approximately 49.87% of the issued share capital of the Company as enlarged by the issue of the Offer Shares.

If, as a result of taking up any Offer Shares by VOL under the underwriting commitment pursuant to the Underwriting Agreement, VOL and Taskwell acquire more than 5.2% of the voting rights of the Company under the Open Offer, it will give rise to an obligation on the part of VOL, Taskwell, Ms. Chong and parties acting in concert with any of them to make a mandatory offer for all the Shares other than those already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code. The lowest percentage held by VOL and Taskwell in the 12 months prior to and including the date of this announcement is approximately 24.80%.

In the event that an obligation to make the General Offer is triggered, Yu Ming Investment Management Limited will, on behalf of the Potential Offeror, make a mandatory cash offer in accordance with Rule 26 of the Takeovers Code to acquire all the issued Shares other than those already owned or agreed to be acquired by the Potential Offeror.

**The General Offer is a possibility only. The possible obligation of the Potential Offeror to make the General Offer in accordance with Rule 26 of the Takeovers Code may only arise after completion of the Open Offer. The Open Offer is conditional on the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated by the Latest Time for Termination.**

## **GENERAL**

### **Formation of independent board committee**

An independent Board committee of the Company which comprises all non-executive Directors will be formed to advise the Independent Shareholders on the General Offer and the Company will appoint an independent financial adviser to advise the independent Board committee of the Company regarding the General Offer if the Potential Offeror's obligation to make the General Offer is triggered upon the close of the Open Offer. Details of the appointment will be announced in due course.

### **Despatch of the Prospectus Documents**

The Prospectus Documents (or the Prospectus, where appropriate) containing further information on the Open Offer will be despatched to the Shareholders as soon as practicable.

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in Shares on the Stock Exchange was halted from 9:00 a.m. on 18 May 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 28 May 2015.

## **PROPOSED OPEN OFFER**

The Company proposes to raise not more than approximately HK\$306.4 million before expenses by issuing not more than 3,063,883,995 Offer Shares at the subscription price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date.

## **Issue statistics**

Basis of the Open Offer: One (1) Offer Share for every two (2) existing Shares held on the Record Date

Number of Shares in issue: 6,127,767,990 Shares as at the date of this announcement

Number of Offer Shares: 3,063,883,995 Offer Shares

The aggregate nominal value of the total Offer Shares will be not more than HK\$306,388,399.

Assuming that 3,063,883,995 Offer Shares are issued under the Open Offer, the net subscription price for each Offer Share is approximately HK\$0.0979.

Number of Shares in issue upon completion of the Open Offer: 9,191,651,985 Shares

Amount raised before expenses: Not more than approximately HK\$306.4 million

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Assuming no change to the issued share capital of the Company from the date of this announcement up to the Record Date, a maximum of 3,063,883,995 Offer Shares will be allotted and issued, which represents (i) approximately 50.00% of the Company's issued share capital as at the date of this announcement; and (ii) approximately 33.33% of the Company's issued share capital of 9,191,651,985 Shares as enlarged by the allotment and issue of the 3,063,883,995 Offer Shares (being the maximum number of Offer Shares to be allotted and issued under the Open Offer) immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not more than HK\$306,388,399.

## **Subscription Price**

The Subscription Price of HK\$0.10 per Offer Share is payable in full upon acceptance of the relevant offer of Offer Shares.

The Subscription Price represents:

- (i) a discount of approximately 50.74% to the closing price of HK\$0.2030 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 53.18% to the average closing price of approximately HK\$0.2136 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date;
- (iii) a discount of approximately 50.17% to the average closing price of approximately HK\$0.2007 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date;
- (iv) a discount of approximately 40.72% to the theoretical ex-entitlement price of approximately HK\$0.1687 per Share, based on the closing price of HK\$0.2030 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (v) a discount of approximately 80.40% to the audited consolidated net asset value per Share of approximately HK\$0.5103 as at 30 June 2014, based on the audited consolidated net assets value as at 30 June 2014 and the number of Shares in issue as at 30 June 2014.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the current market price of the Shares. As the Offer Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Open Offer. The Directors consider the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Basis of provisional allotments**

The basis of the Open Offer will be one (1) Offer Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at a Subscription Price of HK\$0.10 per Offer Share.

Application for all or any part of a Qualifying Shareholder's assured entitlement should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

## **Status of the Offer Shares**

The Offer Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Offer Shares.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Offer Shares to be allotted and issued pursuant to the Open Offer.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Offer Shares (in board lots of 20,000), which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

## **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Prohibited Shareholders, the Company will send copies of the Prospectus to them for their information only, but the Company will not send any Application Forms and EAFs to the Prohibited Shareholders.

To qualify for the Open Offer, a Shareholder must (i) be registered as a member of the Company at the close of business on the Record Date; and (ii) be a Qualifying Shareholder. In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge transfers of Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. on 10 June 2015.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

### **Closure of register of members**

The register of members of the Company will be closed from 11 June to 17 June 2015, both dates inclusive, for the purpose of determining the entitlements of the Qualifying Shareholders for the Open Offer. No transfers of Shares will be registered during the book closure period. In order to qualify for the Open Offer, all transfer forms accompanied by the relevant share certificates must be lodged with the Registrar by 4:30 p.m. on 10 June 2015.

### **Certificates of the Offer Shares**

Subject to the fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted by 13 July 2015 to those Shareholders entitled thereto by ordinary post at their own risks.

### **Rights of Prohibited Shareholders**

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will ascertain whether there are any Overseas Shareholders on the Record Date. To determine the identities of the Prohibited Shareholders and in compliance with the relevant Listing Rules, the Company will make necessary enquiries regarding the legal restrictions, if any, under the laws of the relevant jurisdictions and will only exclude the Prohibited Shareholders for the Open Offer if it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place after making relevant enquiries. The Company will send the Prospectus to Prohibited Shareholders for their information only but the Company will not send any Application Forms and EAFs to the Prohibited Shareholders.

The entitlements of the Prohibited Shareholders will be aggregated and sold in the market. The proceeds of such sale less expense will be received for the benefit of the Company.

### **Application for excess Offer Shares**

The Offer Shares to which the Prohibited Shareholders would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by the Qualifying Shareholders, and the Offer Shares created by aggregation of fractional Offer Shares (if any), will be available for excess application by the Qualifying Shareholders.

Application may be made only by the Qualifying Shareholders by completing the EAF(s) and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Offer Shares being applied for under each application.

However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares. Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter.

### **No transfer of nil-paid entitlements**

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange.

### **Fraction of Offer Share (if any)**

Entitlement to Offer Shares will be rounded down to the nearest whole number. Fractional entitlements to the Offer Shares will not be issued but will be aggregated and sold for the benefit of the Company.

### **Conditions of the Open Offer**

The Open Offer is conditional upon, *inter alia*, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.



## **THE UNDERWRITING ARRANGEMENT AND UNDERTAKINGS**

### **The Underwriting Agreement**

Date: 18 May 2015

Underwriter: VOL, a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is indirectly and beneficially owned by Ms. Chong (a substantial shareholder of the Company) and the ordinary course of business of which does not include underwriting; a substantial shareholder and a connected person of the Company. As at the date of this announcement, VOL, together with its beneficial owner and parties acting in concert (within the meaning of the Takeovers Code, including Taskwell) with any of them, is beneficially interested in 1,519,760,849 Shares, representing approximately 24.80% of the issued share capital of the Company.

Total number of Offer Shares being underwritten by the Underwriter: A maximum of 2,304,003,571 Offer Shares (being all Offer Shares excluding the Offer Shares which have been undertaken to be subscribed by VOL and by Taskwell) to be issued pursuant to the Open Offer subject to the terms and conditions of the Underwriting Agreement. Taking into account the Taskwell Irrevocable Undertaking and the VOL Irrevocable Undertaking, the Open Offer is fully underwritten.

Commission: 2% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares

The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market conditions. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.

According to the Underwriting Agreement, VOL irrevocably undertakes to the Company:

- (1) the Shares owned by it as at the date of this announcement will remain beneficially owned by it from the date of this announcement up to the close of business on the Record Date;
- (2) not to sell or dispose or transfer or agree to sell or dispose or transfer any of the Shares held by it from the date of this announcement up to the close of business on the Record Date;
- (3) VOL itself, its associates or its nominees shall subscribe for in full or procure the taking up and payment in full the Offer Shares to be allotted and issued to it under its entitlement pursuant to the Open Offer; and
- (4) to lodge the Application Form(s) in respect of the Offer Shares accompanied by the appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

### **Placing arrangement for maintaining public float**

Pursuant to the public float requirements under Rule 8.08 (1)(a) of the Listing Rules, the public Shareholders, at all times, must at least hold 25% of the total issued share capital of the Company. Accordingly, the Underwriter has irrevocably undertaken to the Company that if the underwriting arrangement in respect of the Open Offer results in less than 25% of the total issued share capital of the Company held by the public Shareholders, the Underwriter has undertaken to place down its shareholdings interest in the Company to Independent Third Parties in order to comply with the public float requirement under the Listing Rules.

### **Conditions of the Underwriting Agreement**

The Underwriting Agreement is conditional, among other things, upon the following conditions being fulfilled:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;

- (2) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (4) (if necessary) the Company shall procure a copy of the Prospectus Documents to be delivered to the Registrar of Companies in Bermuda for filing as soon as applicable;
- (5) (if necessary) the Bermuda Monetary Authority granting consent to the issue of the Offer Shares by the Latest Time for Termination or such other time as the Underwriter may agree with the Company in writing;
- (6) the obligations of the Underwriter becoming unconditional and the Underwriting Agreement is not terminated in accordance with its terms;
- (7) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (8) compliance with and performance of all undertakings and obligations of VOL under the VOL Irrevocable Undertaking;
- (9) compliance with and performance of all undertakings and obligations of Taskwell under the Taskwell Irrevocable Undertaking; and
- (10) compliance with the requirements under the applicable laws and regulations of Hong Kong and Bermuda.

Conditions set out above are not capable of being waived. If the above conditions are not fulfilled in whole by the Latest Time for Termination (or such later date or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate and (save for any antecedent breach of the Underwriting Agreement and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise. If the Underwriting Agreement terminates in accordance with its terms, the Open Offer will not proceed.

## **Termination of the Underwriting Agreement**

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the Prospectus Posting Date and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer.

If the Underwriter exercises such right, the Open Offer will not proceed.

Upon giving any of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and no party thereunder shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Company shall not be liable to pay any underwriting commission.

### **VOL Irrevocable Undertaking and Taskwell Irrevocable Undertaking**

As at the date of this announcement, VOL directly owns 1,466,721,400 Shares, representing approximately 23.93% of the issued share capital of the Company, and Taskwell directly owns 53,039,449 Shares, representing approximately 0.87% of the issued share capital of the Company. Pursuant to the VOL Irrevocable Undertaking and the Taskwell Irrevocable Undertaking, VOL and Taskwell have irrevocably undertaken to the Company and the Underwriter that they will subscribe for an aggregate of 759,880,424 Offer Shares (being 733,360,700 Offer Shares in respect of VOL and 26,519,724 Offer Shares in respect of Taskwell) which will be allocated to them as Shareholders under the Open Offer.

Save for the above, as of the date of this announcement, the Board has not received any information from any of the other substantial shareholders of their intention either to or not to take up the Offer Shares which they are entitled to under the Open Offer.

## **WARNING OF THE RISK OF DEALING IN THE SHARES**

**The Open Offer is conditional, *inter alia*, upon the fulfillment of the conditions set out above the section headed “Conditions of the Underwriting Agreement”. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described in this announcement. The Open Offer is also subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Open Offer may or may not proceed.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.**

## EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

**2015 (Hong Kong time)**

|   |  |
|---|--|
| Last day of dealings in the Shares on a cum-entitlement basis for the Open Offer.....   | Monday, 8 June                             |
| First day of dealings in the Shares on an ex-entitlement basis for the Open Offer.....  | Tuesday, 9 June                            |
| Latest time for lodging transfer of the Shares in order to be qualified for the Open Offer.....   | 4:30 p.m. on<br>Wednesday, 10 June         |
| Register of members closes (both dates inclusive).....  | Thursday, 11 June to<br>Wednesday, 17 June |
| Record Date for the Open Offer .....  | Wednesday, 17 June                         |
| Register of members re-opens .....  | Thursday, 18 June                          |
| Prospectus Documents expected to be despatched.....   | Thursday, 18 June                          |
| Latest time for acceptance of, and payment for, Offer Shares.....   | 4:00 p.m. on<br>Friday, 3 July             |
| Latest time for termination of the Underwriting Agreement.....  | 4:00 p.m. on<br>Monday, 6 July             |
| Announcement of the results of the Open Offer and excess application and whether the obligation to make a general offer is triggered..... | Friday, 10 July                            |
| Certificates for the Offer Shares and refund cheques expected to be despatched on or before .....   | Monday, 13 July                            |
| Dealings in Offer Shares commence.....  | 9:00 a.m. on<br>Tuesday, 14 July           |

*Notes:*

1. All times and dates in this announcement refer to Hong Kong local times and dates.
2. The latest time for acceptance of and payment for the Offer Shares will not take place at the Latest Time for Acceptance if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:
  - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead the latest time of acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day;
  - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. Instead the latest time of acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Offer Shares does not take place on the Latest Time for Acceptance, the dates mentioned in this section headed “Expected Timetable” may be affected. An announcement will be made by the Company in such an event as soon as practicable.

3. The expected timetable for the Open Offer as set out above is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.



## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement to immediately after completion of the Open Offer for illustration purpose only:

|  | As at the date of<br>this announcement |                          | Immediately after completion<br>of the Open Offer (assuming<br>there are no Prohibited<br>Shareholders and all<br>Qualifying Shareholders take<br>up their respective<br>entitlements under<br>the Open Offer) |                          | Immediately after completion<br>of the Open Offer (assuming<br>there are no Prohibited<br>Shareholders and none of<br>Qualifying Shareholders take<br>up their respective<br>entitlements under the Open<br>Offer other than VOL and<br>Taskwell) |                          |
|--|--|--------------------------|--|--------------------------|---|--------------------------|
|  | <i>Number<br/>of Shares</i>            | <i>Approximate<br/>%</i> | <i>Number<br/>of Shares</i>  | <i>Approximate<br/>%</i> | <i>Number<br/>of Shares</i>   | <i>Approximate<br/>%</i> |
| VOL, Taskwell, Ms.<br>Chong and parties<br>acting in concert<br>with any of them | 1,519,760,849                          | 24.80                    | 2,279,641,273  | 24.80                    | 4,583,644,844   | 49.87                    |
| Shougang Fushan<br>Resources Group<br>Limited                                    | 956,000,000                            | 15.60                    | 1,434,000,000  | 15.60                    | 956,000,000   | 10.40                    |
| Public Shareholders  | <u>3,652,007,141</u>                   | <u>59.60</u>             | <u>5,478,010,712</u>   | <u>59.60</u>             | <u>3,652,007,141</u>  | <u>39.73</u>             |
| <b>Total</b>   | <b><u>6,127,767,990</u></b>            | <b><u>100.00</u></b>     | <b><u>9,191,651,985</u></b>  | <b><u>100.00</u></b>     | <b><u>9,191,651,985</u></b>   | <b><u>100.00</u></b>     |

## **IMPLICATION UNDER THE LISTING RULES — CONNECTED TRANSACTION IN RELATION TO THE UNDERWRITING ARRANGEMENT**

The entering into of the Underwriting Agreement with VOL, who is a substantial Shareholder, and the payment of the underwriting commission to VOL as the Underwriter constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the underwriting commission to be received by VOL of approximately HK\$4.6 million (based on 2,304,003,571 Shares, being the Underwritten Shares underwritten by VOL under the Open Offer) is on normal commercial terms and all applicable percentage ratios (as defined in the Listing Rules) are less than 5%, the payment of the underwriting commission by the Company to VOL is subject to the announcement and reporting requirements but is exempt from independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules. Save for Ms. Chong, an executive Director and chairman of the Company, who holds the entire interest in the share capital of VOL, had abstained from voting on the relevant Board resolutions, none of the other Directors has a material interest in the Open Offer, the Underwriting Agreement, the VOL Irrevocable Undertaking and all matters contemplated thereunder and were not required to abstain from voting on the relevant Board resolutions approving, among other things, the Open Offer, the Underwriting Agreement and all matters contemplated thereunder.

Pursuant to Rule 14A.92(2)(b) of the Listing Rules, provided that Rule 7.26A of the Listing Rules has been complied with, the allotment and issue of the Underwritten Shares to VOL as the Underwriter pursuant to the Underwriting Agreement will be exempt from reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Open Offer will be conducted in compliance with Rule 7.26A of the Listing Rules as mentioned above.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company did not conduct any fund raising activities in the past twelve months immediately prior to the date of this announcement.

## **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is an established natural resource 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 and energy.

The Company will raise approximately HK\$306.4 million, before expenses, by way of Open Offer of 3,063,883,995 Offer Shares of the Company and the estimated net proceeds from the Open Offer will be approximately HK\$300.0 million. The price per

Offer Share net of expenses is approximately HK\$0.0979. The Company intends to use the net proceeds for investment in the natural resources sector and as working capital of the Group.

As the aforesaid funding requirement for the expansion of the Company, the Directors consider that the Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and, hence the Directors consider that fund raising through the Open Offer is in the best interests of the Company and the Shareholders as a whole. However, assuming that the Open Offer proceeds to completion, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholding in the Company will be diluted.

### **POSSIBLE MANDATORY CASH OFFER**

As at the date of this announcement, VOL and Taskwell are interested in an aggregate of 1,519,760,849 Shares, representing approximately 24.80% of the issued share capital of the Company. In the event that VOL is called upon to subscribe for the Offer Shares pursuant to the Underwriting Agreement (assuming nil subscription by the Qualifying Shareholders under the Open Offer other than VOL and Taskwell and that there are no Prohibited Shareholders), the shareholding interest of VOL and Taskwell will increase from approximately 24.80% to a maximum of approximately 49.87% of the issued share capital of the Company as enlarged by the issue of the Offer Shares.

If, as a result of taking up any Offer Shares by VOL under the underwriting commitment pursuant to the Underwriting Agreement, VOL and Taskwell acquire more than 5.20% of the voting rights of the Company under the Open Offer, it will give rise to an obligation on the part of VOL, Taskwell, Ms. Chong and parties acting in concert with any of them to make a mandatory offer for all the Shares other than those already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code. The lowest percentage held by VOL and Taskwell in the 12 months prior to and including the date of this announcement is approximately 24.80%.

In the event that an obligation to make the General Offer is triggered, Yu Ming Investment Management Limited will, on behalf of the Potential Offeror, make a mandatory cash offer in accordance with Rule 26 of the Takeovers Code to acquire all the issued Shares other than those already owned or agreed to be acquired by the Potential Offeror.

It is the intention of the Potential Offeror that the listing of Shares on the Stock Exchange should be maintained. Accordingly, the Potential Offeror will take appropriate steps to ensure that not less than 25% of the issued Shares will be held by the public immediately following the close of the General Offer.

If the General Offer is made, it will be made in accordance with the following terms:

**For each Offer Share.....HK\$0.10 in cash**

The Offer Price of HK\$0.10 for each Offer Share is the same as the Subscription Price to be paid by the Potential Offeror for each Offer Share under the Underwriting Agreement.

As at the date of this announcement, there are no outstanding option, warrant, derivative or other convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into Shares. As at the date of this announcement, none of the Potential Offeror, Taskwell, Ms. Chong and parties acting in concert with any of them has received any irrevocable commitment to accept the General Offer.

**The General Offer is a possibility only. The possible obligation of the Potential Offeror to make the General Offer in accordance with Rule 26 of the Takeovers Code may only arise after completion of the Open Offer. The Open Offer is conditional on the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated by the Latest Time for Termination.**

### **Comparison of value**

The Offer Price represents:

- (a) a discount of approximately 50.74% to the closing price of HK\$0.2030 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a discount of approximately 53.18% to the average closing price of approximately HK\$0.2136 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date;
- (c) a discount of approximately 50.17% to the average closing price of approximately HK\$0.2007 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date; and
- (d) a discount of approximately 80.40% to the audited consolidated net asset value per Share of approximately HK\$0.5103 as at 30 June 2014, based on the audited consolidated net asset value as at 30 June 2014 and the number of Shares in issue as at 30 June 2014.

## **Highest and lowest prices**

The highest closing price per Share, based on the Share price as quoted on the Stock Exchange, during the six-month period immediately preceding the date of this announcement was HK\$0.2200 on 11 and 12 May 2015.

The lowest closing price per Share, based on the Share price as quoted on the Stock Exchange, during the six-month period immediately preceding the date of this announcement was HK\$0.1050 on 25 February 2015.

## **Total consideration**

As at the date of this announcement, the Company had 6,127,767,990 Shares in issue. After the completion of the Open Offer, there will be a maximum of 9,191,651,985 Shares in issue. Based on the Offer Price of HK\$0.10 per Offer Share, the General Offer values all Shares at approximately HK\$919.2 million. Upon completion of the Open Offer and assuming that none of the Qualifying Shareholders other than the Potential Offeror, VOL and Taskwell accepts the Open Offer and that the obligation of the Potential Offeror to make the General Offer is triggered, there shall be 4,608,007,141 Shares subject to the General Offer and, based on the Offer Price of HK\$0.10 per Offer Share, the General Offer values all such Shares at approximately HK\$460.8 million.

Yu Ming Investment Management Limited has been appointed as the financial adviser to the Potential Offeror in respect of the General Offer. Yu Ming Investment Management Limited is satisfied that there are sufficient financial resources available for the Potential Offeror to meet its payment obligations in the event of full acceptances of the General Offer.

## **Condition of the General Offer**

In the event that the Potential Offeror, Taskwell, Ms. Chong and parties acting in concert with any of them hold not less than 30% but not more than 50% of the issued share capital of the Company after completion of the Open Offer, the General Offer will be conditional upon the Potential Offeror having received valid acceptances in respect of voting rights which, together with voting rights already owned or agreed to be acquired before or during the General Offer, will result in the Potential Offeror, Taskwell, Ms. Chong and parties acting in concert with any of them holding more than 50% of the voting rights of the Company.

## **Effect of accepting the General Offer**

By accepting the General Offer, Shareholders will sell to the Potential Offeror their Offer Shares, including, in respect of the Offer Shares, the rights to receive all dividends and distributions declared, made or paid on or after 18 May 2015, being the date of the Underwriting Agreement.

## **Settlement of the consideration**

Seller's ad valorem stamp duty amounting to HK\$1.00 for every HK\$1,000 (or part of HK\$1,000) of the amount of the consideration payable in respect of the relevant acceptance, or the market value of the Shares, whichever is greater (rounded up to the nearest HK\$1.00) will be deducted from the consideration payable to the Shareholders who accept the General Offer.

The amounts due to the Shareholders who accept the General Offer will be posted by the Potential Offeror at the risk of the Shareholders accepting the General Offer as soon as possible but in any event within seven business days of the later of the date on which the General Offer becomes, or is declared, unconditional and the date of receipt of a duly completed acceptance in accordance with the Takeovers Code.

## **INFORMATION ON THE GROUP**

The Group is an established natural resource 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 and energy.

## **INFORMATION ON THE POTENTIAL OFFEROR**

VOL together with Taskwell are interested in an aggregate of 1,519,760,849 Shares, representing approximately 24.80% of the issued share capital of the Company. VOL is a substantial shareholder of the Company and a direct controlling shareholder of COL. The entire issued share capital of VOL is held indirectly by Ms. Chong, the executive Director, Chairman and substantial shareholder of the Company. Taskwell is held as to 74.28% indirectly by VOL. Taskwell is also a wholly-owned subsidiary of COL, a company whose shares are listed on the Main Board of the Stock Exchange. COL is interested in about 0.87% of the Shares.

The principal business activities of each of VOL and Taskwell is investment holding.

As at the date of this announcement, the Potential Offeror owns 1,466,721,400 Shares, representing approximately 23.93% of the issued share capital of the Company. As at the date of this announcement, 53,039,449 Shares, representing approximately 0.87% of the issued share capital of the Company, are directly owned by Taskwell, which is, pursuant to the Takeovers Code, presumed to be acting in concert with the Potential Offeror. Save as the above, there is no existing holding of voting rights or rights over the Shares which is owned or controlled or directed by the Potential Offeror, Taskwell or Ms. Chong or any person acting in concert with any of them.

None of the Potential Offeror, Taskwell, Ms. Chong nor parties acting in concert with any of them holds any options, warrants, convertible securities or derivatives in respect of the Shares.

On 21 November 2014, the board of directors of COL declared a special interim dividend to be satisfied by way of a distribution in specie of the Shares held by the COL and its subsidiaries in the proportion of 3.75 Shares for every 1 share in COL held by the shareholders of COL on 11 December 2014. For further details, please refer to the joint announcement of the Company and COL dated 21 November 2014. Further, Dato' Wong Peng Chong, being the director of the Potential Offeror, has dealt in the Shares during the six-month period immediately prior to the date of the Underwriting Agreement and up to the date of this announcement on four separate occasions. Dato' Wong Peng Chong sold 700,000, 380,000, 620,000, 1,000,000 Shares on 27 November 2014, 1 December 2014, 4 December 2014 and 5 December 2014, at an average daily selling price of HK\$0.175, HK\$0.170, HK\$0.140 and HK\$0.140, respectively. Save as disclosed, during the six-month period immediately prior to the date of the Underwriting Agreement and up to the date of this announcement, none of the Potential Offeror, Taskwell, Ms. Chong nor parties acting in concert with any of them had dealt in any Shares, derivatives, options, warrants or any convertible securities of the Company.

There is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Potential Offeror or the Company and which might be material to the General Offer as referred to in Note 8 to Rule 22 of the Takeovers Code. There is no agreement or arrangement to which the Potential Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the General Offer.

There is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Potential Offeror, Taskwell, Ms. Chong or parties acting in concert with any of them has borrowed or lent.

## **INTENTIONS OF THE POTENTIAL OFFEROR REGARDING THE COMPANY**

The Potential Offeror intends that the Group will continue with all its existing businesses and does not intend to make any material change to the businesses or assets of the Group. The Potential Offeror intends that there will be no material change to the existing employees of the Group by reason only of the General Offer.



## **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Potential Offeror intends to maintain the listing status of the Shares on the Stock Exchange. The Potential Offeror and the Board will take appropriate steps to ensure that not less than 25% of the issued Shares will be held by the public immediately following the close of the General Offer.

## **DELAY IN DESPATCH OF THE COMPOSITE OFFER DOCUMENT**

Rule 8.2 of the Takeovers Code provides that an offer document should normally be posted by or on behalf of the offeror within 21 days of the date of the announcement of the terms of offer (i.e. this announcement). Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of offer is subject to the prior fulfilment of a pre-condition and the pre-condition cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. Based on the timetable contained in this announcement, the announcement of the Company on whether the obligation to make a general offer is triggered will be issued on 10 July 2015, i.e. beyond 21 days from the date of this announcement (being 17 June 2015). In this connection, an application will be made to the Executive pursuant to Rule 8.2 of the Takeovers Code for the consent to the delay in despatch of the composite offer document. The composite offer document in relation to the General Offer will be posted to Shareholders within seven days from the date when the General Offer obligation arises. Based on the timetable contained in this announcement, it is expected that the composite offer document will be despatched on or before 18 July 2015.

## **DISCLOSURE OF DEALINGS**

Associates (including a person who owns or control 5% or more of any class of relevant securities) of the Company and the Potential Offeror are reminded to disclose their dealings in the Shares.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*



*This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **GENERAL**

### **Formation of independent board committee**

An independent Board committee of the Company which comprises all non-executive Directors will be formed to advise the Independent Shareholders on the General Offer and the Company will appoint an independent financial adviser to advise the independent Board committee of the Company regarding the General Offer if the Potential Offeror’s obligation to make the General Offer is triggered upon the close of the Open Offer. Details of the appointment will be announced in due course.

### **Despatch of the Prospectus Documents**

The Prospectus Documents (or the Prospectus, where appropriate) containing further information on the Open Offer will be despatched to the Shareholders as soon as practicable.

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in Shares on the Stock Exchange was halted from 9:00 a.m. on 18 May 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 28 May 2015.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

|                       |   |
|-----------------------|---|
| “acting in concert”   | has the meaning ascribed thereto under the Takeovers Code   |
| “Application Form(s)” | the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer |
| “associate(s)”        | has the meaning ascribed thereto under the Listing Rules  |

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|----------------------------|---|
| “Board”                    | the board of Directors  |
| “Business Day”             | a day on which banks are generally open for business in Hong Kong other than a Saturday, Sunday and public holiday  |
| “CCASS”                    | the Central Clearing and Settlement System established and operated by HKSCC  |
| “COL”                      | COL Capital Limited (Stock Code: 383), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange   |
| “Company”                  | APAC Resources Limited (Stock Code: 1104), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange   |
| “Director(s)”              | director(s) of the Company  |
| “EAF(s)”                   | the excess application form(s) for the application of the excess Offer Shares   |
| “Executive”                | executive director of the Corporate Finance Division of the SFC or any of his delegates   |
| “General Offer”            | the possible mandatory conditional cash offer to be made in accordance with the Takeovers Code by Yu Ming Investment Management Limited on behalf of the Potential Offeror to acquire all the Shares not already owned or agreed to be acquired by the Potential Offeror at a price of HK\$0.10 per Share |
| “Group”                    | the Company and its subsidiaries  |
| “HKSCC”                    | Hong Kong Securities Clearing Company Limited   |
| “HK\$”                     | Hong Kong dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Independent Shareholders” | Shareholders other than VOL, Taskwell, Ms. Chong and parties acting in concert with any of them   |

|                                |   |
|--------------------------------|---|
| “Independent Third Party(ies)” | any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules                               |
| “Last Trading Date”            | 15 May 2015, being the last trading day which was immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the release of this announcement   |
| “Latest Time for Acceptance”   | 4:00 p.m. on 3 July 2015 or such later date as the Underwriter may agree in writing with the Company, being the latest date for acceptance of, and payment for, the Offer Shares  |
| “Latest Time for Termination”  | 4:00 p.m. on 6 July 2015 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement   |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Ms. Chong”                    | Ms. Chong Sok Un, the executive Director, Chairman, and substantial shareholder of the Company  |
| “Offer Price”                  | offer price of HK\$0.10 per Offer Share pursuant to the General Offer   |
| “Offer Shares”                 | the new Shares proposed to be issued and allotted under the Open Offer  |
| “Open Offer”                   | proposed issue of the Offer Shares by the Company to the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.10 per Offer Share, which is subject to the terms and conditions stipulated in the Underwriting Agreement |

|                           |  |
|---------------------------|--|
| “Overseas Shareholder(s)” | Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong  |
| “Prohibited Shareholders” | those Overseas Shareholders whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Offer Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “Prospectus”              | the prospectus to be despatched to the Shareholders containing details of the Open Offer   |
| “Prospectus Documents”    | the Prospectus, EAFs and Application Forms   |
| “Prospectus Posting Date” | 18 June 2015 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Prohibited Shareholders  |
| “Qualifying Shareholders” | Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Prohibited Shareholders   |
| “Record Date”             | 17 June 2015 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Open Offer are expected to be determined   |
| “Registrar”               | the share registrar of the Company in Hong Kong, being Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong  |
| “Settlement Date”         | Tuesday, 7 July 2015, being the second Business Day after latest time for acceptance of and payment for the Offer Shares (or such other time or date as the Underwriter and the Company may agree in writing)  |

|   |  |
|---|--|
| “SFC”   | the Securities and Futures Commission of Hong Kong   |
| “Share(s)”                                    | ordinary share(s) in the share capital of the Company  |
| “Shareholder(s)”                              | holder(s) of Share(s)  |
| “Stock Exchange”                              | The Stock Exchange of Hong Kong Limited  |
| “Subscription Price”                          | the subscription price of HK\$0.10 per Offer Share pursuant to the Open Offer  |
| “Takeovers Code”                              | the Hong Kong Code on Takeovers and Mergers  |
| “Taskwell”                                    | Taskwell Limited, an indirect wholly-owned subsidiary of COL and is indirectly held as to approximately 74.28% by VOL  |
| “Taskwell Irrevocable Undertaking”            | the irrevocable undertaking given by Taskwell to the Company and the Underwriter to take up in full its entitlements under the Open Offer to subscribe for 26,519,724 Offer Shares   |
| “Underwriting Agreement”                      | the underwriting agreement dated 18 May 2015 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer   |
| “Underwritten Shares”                         | a maximum of 2,304,003,571 Offer Shares, being 3,063,833,995 Offer Shares less those Offer Shares agreed to be taken up by VOL and Taskwell under the VOL Irrevocable Undertaking and Taskwell Irrevocable Undertaking respectively  |
| “VOL” or “Underwriter” or “Potential Offeror” | Vigor Online Offshore Limited, a company incorporated in British Virgin Islands with limited liability and a substantial Shareholder of the Company. The entire issued share capital of VOL is held by Ms. Chong indirectly, the executive Director, Chairman and substantial shareholder of the Company |

|                               |  |
|-------------------------------|--|
| “VOL Irrevocable Undertaking” | the irrevocable undertaking given by VOL to the Company and the Underwriter to take up in full its entitlements under the Open Offer to subscribe for 733,360,700 Offer Shares |
| “%” or “per cent.”            | percentage   |

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

Hong Kong, 27 May 2015

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

*Executive Directors*

Ms. Chong Sok Un (*Chairman*), Mr. Andrew Ferguson (*Chief Executive Officer*) and Mr. Kong Muk Yin

*Non-Executive Directors*

Mr. Lee Seng Hui (*Mr. Peter Anthony Curry as his alternate*) 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

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

*Ms. Chong Sok Un and Dato' Wong Peng Chong, being the directors of the Potential Offeror, jointly and severally accept full responsibility for the accuracy of the information in relation to the Potential Offeror contained in this announcement and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

\* For identification purpose only