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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)

**DISCLOSEABLE TRANSACTION
EXTENSION OF LOAN REPAYMENT DATE**

Reference is made to the Previous Announcements in relation to a loan transaction between the Lender, an indirect wholly-owned subsidiary of the Company, the Borrower and the Guarantor.

On 25 July 2014, the Lender entered into the Supplemental Loan Agreement with the Borrower and the Guarantor, pursuant to which, the Lender agreed to, among other things, extend the repayment date under the Loan Agreement. As at the date of the Supplemental Loan Agreement, the Outstanding Loan was HK\$218,320,000.

As the Lender is an indirect wholly-owned subsidiary of the Company, the Transaction entered into by the Lender shall be a deemed transaction of the Company under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

Reference is made to the Previous Announcements in relation to a loan transaction between the Lender, an indirect wholly-owned subsidiary of the Company, the Borrower and the Guarantor.

Unless otherwise defined or specified, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcements.

On 25 July 2014, the Lender entered into the Supplemental Loan Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, extend the repayment date under the Loan Agreement. As at the date of the Supplemental Loan Agreement, the Outstanding Loan was HK\$218,320,000.

THE SUPPLEMENTAL LOAN AGREEMENT

Date: 25 July 2014

Parties: (1) the Lender as the lender for the Loan Agreement;
(2) the Borrower as the borrower for the Loan Agreement; and
(3) the Guarantor as the guarantor for the Loan Agreement.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Guarantor, the Borrower and its ultimate beneficial owners are third parties independent of the Company and its respective connected persons.

THE TERMS OF THE SUPPLEMENTAL LOAN AGREEMENT, THE SUPPLEMENTAL DEBENTURE, THE SUPPLEMENTAL SHARE MORTGAGE, THE SUPPLEMENTAL EQUITY PLEDGE, THE SUPPLEMENTAL AGREEMENT OF ASSIGNMENT OF SHAREHOLDER'S LOAN, THE SPAS, THE SUPPLEMENTAL PROPERTY MORTGAGE AND THE SUPPLEMENTAL LAND CHARGE

The Supplemental Loan Agreement

Pursuant to the Supplemental Loan Agreement, the Loan Agreement has now been amended and supplemented, *inter alia*, that the date of repayment of the Outstanding Loan shall be extended for a further term of six months from 28 July 2014 to 28 January 2015.

Save for the amendment made to the Loan Agreement by the Supplemental Loan Agreement, the provisions of the Loan Agreement and the rights and obligations thereunder shall remain in full force and effect.

The Supplemental Debenture

Pursuant to the Supplemental Debenture, the Debenture shall remain and continue to remain in full force and effect.

The Supplemental Share Mortgage

Pursuant to the Supplemental Share Mortgage, the Share Mortgage shall remain and continue to remain in full force and effect.

The Supplemental Equity Pledge

Pursuant to the Supplemental Equity Pledge, the Equity Pledge shall remain and continue to remain in full force and effect.

The Supplemental Agreement of Assignment of Shareholder's Loan

Pursuant to the Supplemental Agreement of Assignment of Shareholder's Loan, the Agreement of Assignment of Shareholder's Loan shall remain and continue to remain in full force and effect.

The SPAs

The SPAs shall remain and continue to remain in full force and effect.

The Supplemental Property Mortgage

Pursuant to the Supplemental Property Mortgage, the Property Mortgage shall remain and continue to remain in full force and effect.

The Supplemental Land Charge

Pursuant to the Supplemental Land Charge, the Land Charge shall remain and continue to remain in full force and effect.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The entering into of the Transaction, as with the Loan Agreement, which forms part of the Group's on-going treasury management arrangement, allows the Group to continue to earn a higher return. The Directors consider that the terms of the Supplemental Loan Agreement, which were arrived at after arm's length negotiations between the Lender and the Borrower, are on normal commercial terms and the terms of the Transaction are fair and reasonable and in the interests of the Company and its shareholder(s) taken as a whole.

INFORMATION ABOUT THE GROUP, THE BORROWER AND THE GUARANTOR

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.

The Borrower

The Borrower is a company incorporated in Hong Kong with limited liability. The principal business activity of the Borrower is investment holding.

The Guarantor

The Guarantor is an individual.

LISTING RULES IMPLICATIONS

As the Lender is an indirect wholly-owned subsidiary of the Company, the Transaction entered into by the Lender shall be a deemed transaction of the Company under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

DEFINITIONS

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

“Outstanding Loan”	the aggregate outstanding balance of the existing loan granted under the Loan Agreement, which was HK\$218,320,000 as at the date of the Supplemental Loan Agreement;
“Previous Announcements”	the announcements of the Company dated 28 January 2014 and 4 February 2014 in relation to a loan transaction between the Lender, the Borrower and the Guarantor;
“Supplemental Agreement of Assignment of Shareholder’s Loan”	the supplemental agreement to the Agreement of Assignment of Shareholder’s Loan dated 25 July 2014;
“Supplemental Debenture”	the supplemental agreement to the Debenture dated 25 July 2014;
“Supplemental Equity Pledge”	the supplemental agreement to the Equity Pledge dated 25 July 2014;
“Supplemental Land Charge”	the supplemental agreement to the Land Charge dated 25 July 2014;

“Supplemental Loan Agreement”	the supplemental loan agreement to the Loan Agreement dated 25 July 2014 entered into between the Lender, the Borrower and the Guarantor for, <i>inter alia</i> , the extension of the repayment date under the Loan Agreement;
“Supplemental Property Mortgage”	the supplemental agreement to the Property Mortgage dated 25 July 2014;
“Supplemental Share Mortgage”	the supplemental agreement to the Share Mortgage dated 25 July 2014;
“Transaction”	the transaction contemplated under the Supplemental Loan Agreement.

On behalf of the Board
APAC Resources Limited
Chong Sok Un
Chairman

Hong Kong, 28 July 2014

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 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 statements in this announcement misleading.

* *For identification purpose only*