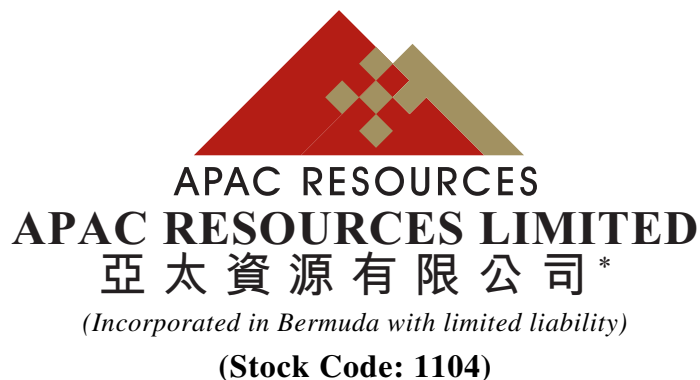


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DISCLOSEABLE TRANSACTION
AND
CONNECTED TRANSACTION

LOAN TRANSACTION

On 22 March 2017, the Lender (an indirect wholly-owned subsidiary of the Company) as the lender entered into the Loan Agreement with the Borrower as the borrower and the Guarantor as the guarantor, pursuant to which, the Lender agreed to among other things, make available to the Borrower the Loan on the terms and subject to the conditions therein.

LISTING RULES IMPLICATIONS

As the Lender is a 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 Chapter 14 of 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%.

As at the date of this announcement, Ms. Chong is a director of the PRC Subsidiary (an indirect wholly-owned subsidiary of the Company) and is therefore a connected person of the Company. Each of the Borrower and the Guarantor is effectively owned as to 45.53% by Ms. Chong. As such, each of the Borrower and the Guarantor is an associate of Ms. Chong, which in turn is the Company's connected person at the subsidiary level within the meaning of Chapter 14A of the Listing Rules. As a result, the Transaction constitutes a connected transaction of the Company at the subsidiary level under Chapter 14A of the Listing Rules. However, as (i) the Transaction is on normal commercial terms or better; (ii) the Board has approved the Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Transaction is subject to reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

INTRODUCTION

On 22 March 2017, the Lender (an indirect wholly-owned subsidiary of the Company) as the lender entered into the Loan Agreement with the Borrower as the borrower and the Guarantor as the guarantor, pursuant to which, the Lender agreed to among other things, make available to the Borrower the Loan on the terms and subject to the conditions therein.

THE LOAN AGREEMENT

Date: 22 March 2017

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.

Principal terms of the Loan Agreement

The principal terms of the Loan Agreement are as follows:

Loan amount: HK\$225,000,000 (or an amount equivalent to HK\$225,000,000 in such alternative currency) in one or multiple drawdown(s) within 1 month from the date of the Loan Agreement

Term: 12 months from the first drawdown date of the Loan

Purpose: the Loan shall be applied and used by the Borrower for reduction of borrowings of the Borrower's Group

Interest rate: 6% per annum

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction, which forms part of the Group's financial services activities, allows the Group to apply certain of its funds to better use thereby providing a higher return to the Group. The terms of the Loan Agreement, including the interest rate applicable, were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account the current market norm in relation to similar transactions.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Transaction are fair and reasonable and in the ordinary and usual course of business of the Group, the Transaction is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE COMPANY AND THE GROUP

The Company and the Group

The Company is a company incorporated in Bermuda with limited liability, the shares 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 ABOUT THE LENDER, THE BORROWER AND THE GUARANTOR

The Lender

The Lender is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company. The principal business activity of the Lender is treasury management.

The Borrower

The Borrower is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Guarantor. The principal business activity of the Borrower is investment holding.

The Guarantor

The Guarantor is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange, and is the beneficial owner of the entire issued share capital of the Borrower. The principal business activity of the Guarantor is investment holding and through its subsidiaries engaged in investment in and management and operation of healthcare and hospital businesses, aged care businesses, trading of medical equipment and related supplies, property investment and development, securities trading and investments, provision of financial services and strategic investment.

LISTING RULES IMPLICATIONS

As the Lender is a 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 Chapter 14 of 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%.

As at the date of this announcement, Ms. Chong is a director of the PRC Subsidiary (an indirect wholly-owned subsidiary of the Company) and is therefore a connected person of the Company. Each of the Borrower and the Guarantor is effectively owned as to 45.53% by Ms. Chong. As such, each of the Borrower and the Guarantor is an associate of Ms. Chong, which in turn is the Company's connected person at the subsidiary level within the meaning of Chapter 14A of the Listing Rules. As a result, the Transaction constitutes a connected transaction of the Company at the subsidiary level under Chapter 14A of the Listing Rules. However, as (i) the Transaction is on normal commercial terms or better; (ii) the Board has approved the Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Transaction is subject to reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors has any material interest in the Transaction or is required to abstain from voting on the relevant Board resolutions in connection with the Transaction.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to this term in the Listing Rules;
“Board”	the board of Directors;
“Borrower”	Pacific Allied Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Guarantor, an associate of Ms. Chong, and the borrower under the Loan Agreement;
“Borrower's Group”	the Guarantor and its subsidiaries including the Borrower;
“Company”	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1104);
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Directors”	directors of the Company;

“Group”	the Company and its subsidiaries;
“Guarantor”	China Medical & HealthCare Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 383), being an associate of Ms. Chong and the guarantor under the Loan Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Lender”	Fortune Arm Limited, a company incorporated in the British Virgin Islands with limited liability, being an indirect wholly-owned subsidiary of the Company, and the lender under the Loan Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the amount of HK\$225,000,000 (or an amount equivalent to HK\$225,000,000 in such alternative currency as acceptable to and agreed by the Lender) made available by the Lender to the Borrower on the terms and subject to the conditions set out in the Loan Agreement;
“Loan Agreement”	the loan agreement entered into between the Lender, the Borrower and the Guarantor dated 22 March 2017;
“Ms. Chong”	Ms. Chong Sok Un, being a director of the PRC Subsidiary;
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“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;

“PRC Subsidiary”	亞太資源(青島)有限公司, a company incorporated in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under the Loan Agreement; and
“%”	per cent.

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

Hong Kong, 22 March 2017

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

Executive Directors

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

Non-Executive Directors

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

Independent Non-Executive Directors

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

* *For identification purpose only*