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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  
LOAN TRANSACTION**

On 14 December 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 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 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%.

**INTRODUCTION**

On 14 December 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:** 14 December 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.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries and based on the confirmation of the Borrower and the Guarantor, the Borrower, the Guarantor and their respective ultimate beneficial owner(s) are all third parties independent of the Company and its connected persons.

### **Principal terms of the Loan Agreement**

The principal terms of the Loan Agreement are as follows:

**Loan amount:** in the limit up to HK\$84,000,000 (or an amount equivalent to HK\$84,000,000 in such alternative currency as acceptable to and agreed by the Lender) in one or multiple drawdown(s) within the availability period provided that the amount of each drawdown shall not be less than HK\$40,000,000 (or an amount equivalent to not less than HK\$40,000,000 in such alternative currency as acceptable to and agreed by the Lender)

**Term:** 12 months from the respective drawdown date(s) of the Loan

**Availability period:** the period commencing from the date of the Loan Agreement to the date falling 2 months from the date of the Loan Agreement (both dates inclusive)

**Purpose:** the Loan shall be applied and used by the Borrower for its general working capital

**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 are of the view that the terms of the Loan Agreement are on normal commercial terms and the terms of the Transaction are fair and reasonable, and in the interests of the Company and its shareholders taken as a whole.

## **INFORMATION ABOUT THE COMPANY, THE GROUP, THE LENDER, THE BORROWER AND THE GUARANTOR**

### **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.

### **The Lender**

The Lender is a company incorporated in the British Virgin Islands with limited liability and is an indirect 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 the British Virgin Islands with limited liability and 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 Taiwan with limited liability, the shares of which are listed on the Taiwan Stock Exchange Corporation. The principal business activity of the Guarantor is the provision of dry bulk shipping services internationally.

## **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 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%.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“Borrower”	the borrower under the Loan Agreement;
“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”	having the meaning ascribed to it under the Listing Rules;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“Guarantor”	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, an indirect wholly-owned subsidiary of the Company, being the lender under the Loan Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Loan”	the loan in the limit up to HK\$84,000,000 (or an amount equivalent to HK\$84,000,000 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 as the lender, the Borrower as the borrower and the Guarantor as the guarantor dated 14 December 2017;
“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;
“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**  
**Arthur George Dew**  
*Chairman*

Hong Kong, 14 December 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*