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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) as the lender, the Borrower as the borrower and the Guarantor as the guarantor. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements.

On 21 June 2018, the Lender as the lender entered into the Second Supplemental Loan Agreement with the Borrower as the borrower and the Guarantor as the guarantor, pursuant to which, the Lender agreed to, among other things, extend the repayment date of the Loan from 21 September 2018 to 30 September 2019 on the terms and subject to the conditions therein. As at the date of the Second Supplemental Loan Agreement, the Loan has been fully drawn and remained outstanding and due to be repaid by the Borrower to the Lender.

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) of the Company exceeds 5% but is below 25%.

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THE TRANSACTION

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The Second Supplemental Loan Agreement

Date: 21 June 2018

Parties:

- (1) the Lender as the lender for the Second Supplemental Loan Agreement;
- (2) the Borrower as the borrower for the Second Supplemental Loan Agreement; and
- (3) the Guarantor as the guarantor for the Second Supplemental Loan Agreement.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries and based on the confirmations of the Borrower and the Guarantor, other than a substantial shareholder of the Guarantor holding approximately 7.36% interest in Tian An, the Borrower, the Guarantor and their respective ultimate beneficial owners, being the substantial shareholders of the Guarantor, are all third parties independent of the Company and its connected persons.

Principal terms of the Second Supplemental Loan Agreement

Pursuant to the Second Supplemental Loan Agreement, the Loan Agreement has now been amended and supplemented, inter alia, as follows:

Repayment date: 30 September 2019

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

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 Second Supplemental 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 Second Supplemental Loan Agreement are on normal commercial terms and the Transaction is fair and reasonable, and in the interests of the Company and its shareholders taken 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 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 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.

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DEFINITIONS

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

“Previous Announcements”	the announcements dated 22 March 2017 and 22 March 2018 made by the Company;
“Second Supplemental Loan Agreement”	the second supplemental loan agreement to the Loan Agreement entered into between the Lender, the Borrower and the Guarantor on 21 June 2018; and
“Transaction”	the transaction contemplated under the Second Supplemental Loan Agreement.

By Order of the Board
APAC Resources Limited
Arthur George Dew
Chairman

Hong Kong, 21 June 2018

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*