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**APAC RESOURCES LIMITED**

**亞太資源有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1104)**

**DISCLOSEABLE TRANSACTION  
RELATING TO THE  
SUBSCRIPTION OF THE THIRD LOAN NOTE**

The Board announces that on 5 September 2016, the Subscriber, a direct wholly-owned subsidiary of the Company, entered into the Subscription Agreement to subscribe for the Third Loan Note of nominal amount of US\$20 million issued by the Issuer.

As certain relevant Percentage Ratios in respect of the Subscription are more than 5% but below 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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**THE SUBSCRIPTION AGREEMENT**

Date: 5 September 2016

Subscriber: APAC Resources Treasury Management Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company

Issuer: Mulpha SPV Limited, a company incorporated in The Federal Territory of Labuan, Malaysia and a direct wholly-owned subsidiary of the Guarantor

Guarantor: Mulpha International Bhd., a company incorporated in Malaysia whose shares are listed on the Main Market of Bursa Malaysia Securities Berhad

The brother of Mr. Lee Seng Hui (a non-executive director of the Company), Mr. Lee Seng Huang is the executive chairman of the Guarantor. In addition, Mr. Lee Seng Huang together with his associates hold approximately 46.76% equity interest (comprising direct and indirect interests) in the Guarantor.

Save as disclosed above and to the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Issuer, the Guarantor and their ultimate beneficial owners are Independent Third Parties not connected with the Company and connected persons of the Company.

Nominal Amount of  
the Third Loan Note  
subscribed: US\$20 million

Issue Price: US\$20 million, being 100% of the nominal amount of the Third Loan Note

Issue Date: 6 September 2016

Maturity Date: 6 September 2019

Purpose and usage of  
the loan proceeds: The proceeds will be applied by the Guarantor's group for its general investments, acquisitions, refinancing of existing borrowings and/or working capital

Interest: 6.0% per annum payable semi-annually in arrears in accordance with the Interest Payment Dates stated below

Interest Payment  
Date(s): 6 March and 6 September in each year up to and including the Maturity Date stated above

Redemption: The Third Loan Note may be redeemed by the Issuer prior to the Maturity Date at the nominal amount of the Third Loan Note plus accrued unpaid interest up to the date of redemption

## **INFORMATION ON 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 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 ISSUER AND THE GUARANTOR**

The Issuer is a company incorporated in The Federal Territory of Labuan, Malaysia and is a direct wholly-owned subsidiary of the Guarantor. The Issuer is established as a fund raising vehicle. The principal activity of the Issuer is the issuance of medium term notes.

The principal activity of the Guarantor is investment holding and the principal activities of its subsidiaries are property development, property investment, property ownership and management, investment holding, provision of management services, issuance of medium term notes and the ownership, operation and management of resorts, hotels and service apartments in Malaysia, Australia and London.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Subscription forms part of the Group's on-going treasury management arrangement and will provide interest income to the Group. The Third Loan Note will be recorded as loan note under non-current assets of the Group. The Subscription will be funded partly by redemption of the Second Loan Note and partly by internal resources available to the Group. The Directors consider that the transactions set out in the Subscription Agreement are based on normal commercial terms and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As certain relevant Percentage Ratios in respect of the Subscription are more than 5% but below 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Guarantor”	Mulpha International Bhd., a company incorporated in Malaysia whose shares are listed on the Main Market of Bursa Malaysia Securities Berhad, being the guarantor of the Third Loan Note
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s) is/are persons independent of the Company and its connected persons
“Issuer”	Mulpha SPV Limited, a company incorporated in The Federal Territory of Labuan, Malaysia and a direct wholly-owned subsidiary of the Guarantor, being the issuer of the Third Loan Note
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Second Loan Note”	the loan note of nominal amount of US\$10 million subscribed by the Subscriber from the Issuer on 4 September 2014, particulars of which are set out in the Company’s announcement dated 4 September 2014
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	APAC Resources Treasury Management Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company, being the subscriber of the Third Loan Note
“Subscription”	subscription of the Third Loan Note under the Subscription Agreement
“Subscription Agreement”	a letter of agreement dated 5 September 2016 entered into between the Subscriber, the Issuer and the Guarantor in relation to the subscription of the Third Loan Note
“Third Loan Note”	the loan note of nominal amount of US\$20 million subscribed by the Subscriber under the Subscription Agreement

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

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

Hong Kong, 6 September 2016

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*