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DISCLOSEABLE TRANSACTION

EXTENSION OF LOAN REPAYMENT DATE

Reference is made to the Previous Announcement 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 Announcement.

On 22 March 2018, the Lender as the lender entered into the 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 23 March 2018 to 21 September 2018 on the terms and subject to the conditions therein. As at the date of the 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%.

As at the date of the Supplemental Loan Agreement, each of the Borrower and the Guarantor is effectively owned as to 17.9% by Ms. Chong, and as such, each of the Borrower and the Guarantor is not an associate of Ms. Chong.

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THE TRANSACTION

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The Supplemental Loan Agreement

Date: 22 March 2018

Parties:

- (1) the Lender as the lender for the Supplemental Loan Agreement;
- (2) the Borrower as the borrower for the Supplemental Loan Agreement; and
- (3) the Guarantor as the guarantor for the 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 the Disclosed Relationships as defined below and Ms. Chong's 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 Supplemental Loan Agreement

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

Repayment date: 21 September 2018

Interest rate: 8% per annum

Save for the amendments 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.

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 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 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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As at the date of the Supplemental Loan Agreement, each of the Borrower and the Guarantor is effectively owned as to 17.9% by Ms. Chong, and as such, each of the Borrower and the Guarantor is not an associate of Ms. Chong (the “**Disclosed Relationships**”).

DEFINITIONS

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

“Borrower”	Pacific Allied Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Guarantor, and the borrower under the Loan Agreement and the Supplemental Loan Agreement;
“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), and the guarantor under the Loan Agreement and the Supplemental Loan Agreement;
“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 and the Supplemental Loan Agreement;
“Ms. Chong”	Ms. Chong Sok Un, being a previous director of the PRC Subsidiary who resigned on 16 May 2017;
“Previous Announcement”	the announcement dated 22 March 2017 made by the Company;
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Supplemental Loan Agreement”	the supplemental loan agreement to the Loan Agreement entered into between the Lender, the Borrower and the Guarantor on 22 March 2018;
“Tian An”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 28), being a connected person of the Company; and

“Transaction”

the transaction contemplated under the Supplemental Loan Agreement.

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

Hong Kong, 22 March 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*