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**ANNOUNCEMENT PURSUANT TO
RULE 14.36 OF THE LISTING RULES**

Reference is made to the Previous Announcements in relation to a loan transaction among Lender A, Lender B, Lender C (a direct wholly-owned subsidiary of the Company), Lender D, Lender E and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent.

Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements.

On 2 August 2019, Lender A, Lender B, Lender C (a direct wholly-owned subsidiary of the Company), Lender D, Lender E and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent entered into the Second Supplemental Facility Agreement, pursuant to which, the Lenders agreed to, among other things, amend certain provisions of the Facility Agreement as amended and/or supplemented by the Amendment Agreement and the Supplemental Facility Agreement.

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Second Supplemental Facility Agreement constitutes a variation to the terms of the transaction previously announced under the Previous Announcements.

Reference is made to the Previous Announcements in relation to a loan transaction among Lender A, Lender B, Lender C (a direct wholly-owned subsidiary of the Company), Lender D, Lender E and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements.

On 2 August 2019, Lender A, Lender B, Lender C (a direct wholly-owned subsidiary of the Company), Lender D, Lender E and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent entered into the Second Supplemental Facility Agreement, pursuant to which, the Lenders agreed to, among other things, amend certain provisions of the Facility Agreement as amended and/or supplemented by the Amendment Agreement and the Supplemental Facility Agreement.

THE SECOND SUPPLEMENTAL FACILITY AGREEMENT

The Borrower has requested to substitute the Assignment by the Debenture (Borrower) as an additional security for the Loan. Accordingly, the Borrower, the Lenders, the Agent and the Security Agent have agreed to amend the Facility Agreement and the Supplemental Facility Agreement reflecting the changes of the substitution of the Assignment by the Debenture (Borrower) upon the terms and conditions as set out in the Second Supplemental Facility Agreement.

The Loan is secured by the Debenture (Borrower), being an additional security for the Loan, by way of first fixed and floating charge over the undertakings, property and/or assets of the Borrower to be created by the Borrower in favour of the Security Agent.

The Debenture (Borrower) and all security constituted or pursuant to the Debenture (Borrower) shall become immediately enforceable upon the occurrence of an event of default or the occurrence of any event which may lead to a default by the Borrower.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Second Supplemental Facility Agreement constitutes a variation to the terms of the transaction previously announced under the Previous Announcements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND SUPPLEMENTAL FACILITY AGREEMENT

The terms of the Second Supplemental Facility Agreement were arrived at after arm's length negotiations between Lender C (acting through the Agent) and the Borrower. The Second Supplemental Facility Agreement was entered into by Lender C having regard to all underlying securities. In view of the above, the Directors are of the view that the terms of the Second Supplemental Facility Agreement are on normal commercial terms and the Second Supplemental Facility Agreement entered into by Lender C is fair and reasonable, and in the interests of the Company and its shareholders taken as a whole.

DEFINITIONS

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

“Debenture (Borrower)”	the debenture to be created by the Borrower in favour of the Security Agent by way of first fixed and floating charge over the undertakings, property and/or assets of the Borrower;
“Loan”	the loan made or to be made available by the Lenders to the Borrower on the terms and subject to the conditions set out in the Facility Agreement as amended and/or supplemented by the Amendment Agreement, the Supplemental Facility Agreement and the Second Supplemental Facility Agreement;
“Previous Announcements”	the announcements of the Company dated 29 September 2018 and 19 July 2019; and

“Second Supplemental
Facility Agreement”

the second supplemental facility agreement to the Facility Agreement as amended and/or supplemented by the Amendment Agreement and the Supplemental Facility Agreement entered into among the Lenders as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent on 2 August 2019.

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

Hong Kong, 2 August 2019

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, Mr. Robert Moyse Willcocks and Mr. Wang Hongqian

* *For identification purpose only*