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Allied Properties Investments (1) Company Limited

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To: David Stokes  
Company Secretary  
Mount Gibson Iron Limited

By fax: +61 8 9485 2305

To: Australian Securities Exchange  
Company Announcements

By fax: +61 2 9347 0005

From: Mark Wong  
Director

18 December 2015

Dear Sir/Madam

**Notice of Initial Substantial Holder**

We enclose a Notice of Initial Substantial Holder (Form 603) for Allied Properties Investments (1) Company Limited (**APICL**) and its related bodies corporate (**Allied Group**) in respect of Mount Gibson Iron Limited (ASX : MGX) (**MGX**).

On 16 December 2015, APICL has entered into a share sale and purchase agreement with Vigor Online Offshore Limited under which APICL has conditionally agreed to acquire 2,200,082,100 shares in APAC Resources Limited (**APAC**) representing approximately 23.9% of APAC's issued share capital (**Acquisition**).

The Acquisition is conditional upon the satisfaction of various conditions, including regulatory approvals being obtained by the Allied Group.

As a consequence of the Acquisition, the Allied Group has acquired a relevant interest in all shares in MGX that are held by APAC and its related bodies corporate.

Yours sincerely,

  
**Mark Wong**  
Director

**Form 603**

Corporations Act 2001

Section 671B

**Notice of initial substantial holder**To: Company Name/Scheme **Mount Gibson Iron Limited**ACN/ARSN **008 670 817****1. Details of substantial holder (1)**Name **Allied Properties Investments (1) Company Limited and its related bodies corporate, including the related bodies corporate and other entities listed in Section 1 of Annexure A ("Allied Group")**ACN/ARSN (if applicable) **N/A**The holder became a substantial holder on **16/12/15****2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
See Section 2 of Annexure A			

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
See Section 3 of Annexure A		

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
See Section 4 of Annexure A			

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
See Section 5 of Annexure A				

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Section 6 of Annexure A	

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
See Section 7 of Annexure A	

For and on behalf of  
ALLIED PROPERTIES INVESTMENTS (I) COMPANY LIMITED

**Signature**

print name

MARK WONG

Authorised Signature(s)

capacity

sign here

date

18/12/15

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 606 and 671 B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671 B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Annexure "A"**

**Form 603**  
**Notice of Initial Substantial Holder**  
**Mount Gibson Iron Limited (MGX)**  
**ACN 008 670 817**

This Annexure "A" of 2 pages referred to in the Form 603 (Notice of Initial Substantial Holder), signed by me and dated 18 December 2015.

For and on behalf of  
 ALLIED PROPERTIES INVESTMENTS (I) COMPANY LIMITED



Signed: **Mark Wong**

.....  
 Authorised Signature(s)

**1. Details of substantial holder**

Substantial holder (Allied Group)
Allied Properties Investments (1) Company Limited (APICL)
Allied Properties Overseas Limited (APOL)
Allied Properties (H.K.) Limited (APHKL)
Allied Group Limited (AGL)
Lee and Lee Trust (trustees: Lee Seng Hui, Lee Su Hwei and Lee Seng Huang)

**2. Details of voting power**

Class of securities (4)	Number of securities	Person's votes(5)	Voting power (6)
Fully paid ordinary shares (ORD shares)	294,718,342	294,718,342	27.02%

**3. Details of relevant interests**

Holder of relevant interest	Nature of relevant interest (7)	Class and number securities
Allied Group	Allied Group has acquired a relevant interest under section 608(3) of the Corporations Act 2001 (Cth) in the securities that APAC Resources Limited (APAC) and its related bodies corporate (APAC Group) hold in MGX because of APICL entering into an agreement for the acquisition of more than 20% of the shares in APAC – the relevant agreement is attached as Annexure B	294,718,342 ORD shares

**4. Details of present registered holders**

Holder of relevant interest	Registered holder of securities	Person entitled to be registered (8)	Class and number of securities
Allied Group	APAC Group	APAC Group	294,718,342 ORD shares

**5. Consideration**

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Allied Group	16 December 2015	See Annexure B	N/A	

**6. Associates**

Name and ACN/ARSN (if applicable)	Nature of association
See section 1 above.	See section 1 above.

**7. Addresses**

Name	Address
Allied Properties Investments (1) Company Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Allied Properties Overseas Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Allied Properties (H.K.) Limited	22nd Floor, Allied Kajima Building. 138 Gloucester Road, Wanchai, Hong Kong
Allied Group Limited	22nd Floor, Allied Kajima Building. 138 Gloucester Road, Wanchai, Hong Kong
Lee and Lee Trust	22nd Floor, Allied Kajima Building. 138 Gloucester Road, Wanchai, Hong Kong

## Annexure "B"

**Form 603**  
**Notice of Initial Substantial Holder**

**Mount Gibson Iron Limited**  
**ACN 008 670 817**

This Annexure "B" of 27 pages referred to in the Form 603 (Notice of Initial Substantial Holder), signed by me and dated 18 December 2015.

For and on behalf of  
ALLIED PROPERTIES INVESTMENTS (1) COMPANY LIMITED



Signed: ~~Mark Wang~~.....  
Authorised Signature(s)

Dated the 16<sup>th</sup> day of December 2015

- (1) **VIGOR ONLINE OFFSHORE LIMITED**
  - (2) **ALLIED PROPERTIES INVESTMENTS (1) COMPANY LIMITED**
- 

## **AGREEMENT FOR SALE AND PURCHASE**

relating to

2,200,082,100 ordinary shares in  
**APAC RESOURCES LIMITED**  
*(incorporated in Bermuda with limited liability)*

**P. C. WOO & CO.**  
Solicitors and Notaries  
12th Floor, Prince's Building  
Central, Hong Kong  
Ref.: HL:YTY

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EXECUTION PAGE	



**THIS AGREEMENT** is made the 14<sup>th</sup> day of December 2015

**BETWEEN:-**

- (1) **VIGOR ONLINE OFFSHORE LIMITED**, a company incorporated under the laws of the British Virgin Islands with limited liability, the registered office of which is at TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands (the "**Vendor**"); and
- (2) **ALLIED PROPERTIES INVESTMENTS (1) COMPANY LIMITED**, a company incorporated under the laws of the British Virgin Islands with limited liability, the registered office of which is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "**Purchaser**").

**WHEREAS: -**

- (A) The Company is a public company incorporated under the laws of Bermuda with limited liability, whose registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and whose principal place of business in Hong Kong is at 32nd Floor, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong and as at the date of this Agreement has an authorised share capital of HK\$2,000,000,000 divided into 20,000,000,000 Shares of which 9,191,651,985 Shares have been issued and are fully paid up.
- (B) The Shares are listed and dealt in on the main board of the Stock Exchange.
- (C) As of the date of this Agreement, the Vendor is the legal and beneficial owner of the 2,200,082,100 Sale Shares, representing approximately 23.9% of the existing issued share capital of the Company.
- (D) Ms. Chong is the ultimate sole legal and beneficial owner of the Vendor.
- (E) The Purchaser is an indirect wholly-owned subsidiary of Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 56 and Warrant Code: 1183).
- (F) The Vendor agrees to sell, and the Purchaser agrees to purchase, the Sale Shares on the terms but subject to the conditions set out in this Agreement.

**NOW IT IS AGREED** as follows: -

**1. DEFINITIONS AND INTERPRETATION**

- (A) In this Agreement, including the recitals and the Schedules, unless the context otherwise requires, the following terms have the respective meanings set opposite them: -

“Authorisation”	any approval, authorisation, consent, licence, certificate, permit, concession, agreement or other permission of any kind of, from or by any Governmental Authority, regulatory body or any other third party;
“Broker”	a person admitted to participate in the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited as a direct clearing participant or general clearing participant;
“business day”	a day on which banks in Hong Kong are open for business, other than:-  (i) a Saturday, Sunday, public holiday; or  (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
“Company”	APAC Resources Limited, a company incorporated under the laws of Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 1104) and the details of which are more particularly set out in Schedule 1;
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to this Agreement, by the performance by the Parties of the several obligations contained in Clause 4;
“Completion Date”	any business day within the five business days after the day on which the last of the Conditions is satisfied or such other date as

	the Purchaser and the Vendor may agree in writing;
"Conditions"	the conditions precedent mentioned in Clauses 3(A) and 3(B);
"Confidential Information"	with respect to any person, any know-how, knowledge, technique, design, process, information, data, material, specification, trade secret or other confidential or economic information possessed, developed or acquired by such person for any purpose or in any business or capacity, or in relation to the transactions contemplated in this Agreement;
"Consideration"	shall have the meaning ascribed to it in Clause 2(B) of this Agreement;
"Encumbrance"	<ul style="list-style-type: none"><li>(i) any mortgage, charge, pledge, lien, hypothecation, encumbrance or other security arrangement of any kind;</li><li>(ii) any option, right of pre-emption, equity, claim, adverse interest or other third party right of any kind;</li><li>(iii) any arrangement by which any right is subordinated to any right of such third party; or</li><li>(iv) any contractual right of set-off,</li></ul> including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above;
"FATA"	the Foreign Acquisitions and Takeovers Act 1975 (Commonwealth of Australia);
"Governmental Authority"	any government (or political subdivision of it), whether on a state, provincial, municipal or local level and whether executive, legislative or judicial in nature, including (without limitation) any agency, authority, board, bureau, commission, court, department or any other instrumentality;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Law”	<ul style="list-style-type: none"><li>(i) any law, statute or statutory provision, regulation, rule, constitutional provision, treaty or rule of common law or equity;</li><li>(ii) any order, notice or decree of any Governmental Authority or other matter of any kind having the force of law; or</li><li>(iii) any order, decree, judgment or award of any court, tribunal or arbitrator of a competent jurisdiction;</li></ul>
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	shall have the meaning ascribed to it in Clause 3(D) of this Agreement;
“Losses”	losses, liabilities, damages, deficiencies, diminution in value, interest, penalties, expenses, judgment awards or settlement of any nature or kind, and costs and expenses (including, without limitation, legal fees on a full indemnity basis);
“Ms. Chong”	Ms. Chong Sok Un, the ultimate sole legal and beneficial owner of the Vendor;
“Party” or “Parties”	any party or parties (as the case may be) to this Agreement;
“Proceedings”	any legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, enquiry, investigation or proceedings in any jurisdiction;
“Purchaser’s Warranties”	the representations and warranties given by the Purchaser contained in Clause 6;

“Refundable Deposit”	shall have the meaning ascribed to it in Clause 2(C) of this Agreement;
“Relevant Persons”	<p>(i) with respect to a company, body corporate or legal person, its directors, officers, employees, agents, representatives, consultants and advisers (in each case, whether as an employee, in a professional capacity or otherwise); and</p> <p>(ii) with respect to a person other than a company, body corporate or legal person, his partners, officers, employees, agents, representatives, consultants and advisers (in each case, whether as an employee, in a professional capacity or otherwise);</p>
“Sale Shares”	2,200,082,100 Shares, representing approximately 23.9% of the entire issued share capital of the Company as at the date of this Agreement, to be sold by the Vendor to the Purchaser pursuant to this Agreement;
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor’s Warranties”	the representations and warranties given by the Vendor contained in this Agreement, in particular Clause 5 and Schedule 2.

(B) In this Agreement, including the recitals, the Schedules and the Appendices, unless the context otherwise requires: -

- (i) references to “Clauses” and “Schedules” are references to clauses of, and schedules to, this Agreement;
- (ii) references to this Agreement include this Agreement, the Schedules and all other documents executed in accordance with this Agreement and expressed to be supplemental to this Agreement;
- (iii) headings are for convenience only and shall not limit, extend, vary or otherwise affect the construction of any provision of this Agreement;

- (iv) words and expressions importing the singular include the plural and vice versa;
- (v) words and expressions importing one gender include both genders and the neuter, and references to persons include natural persons, bodies corporate or unincorporated, sole proprietorships, partnerships, associations, enterprises, branches and all other forms of organisations and entities;
- (vi) references to a Party include its personal representatives, successors, heirs, beneficiaries, sureties and permitted assigns;
- (vii) where any word or expression is given a defined meaning, any other grammatical form of such word or expression (as the case may be) shall have a corresponding meaning;
- (viii) references to writing include any method of producing or reproducing words in a legible and non-transitory form;
- (ix) references to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date of this Agreement) from time to time and shall include any provision of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such statutory provisions; and
- (x) references to anything which a Party is required to do or not to do shall include its acts, defaults and omissions, whether:-
  - (a) direct or indirect;
  - (b) on its own account; or
  - (c) for or through any other person,

and shall include acts, defaults and omissions which it permits or suffers to be done or not done by any other person.

- (C) The Recitals and Schedules are part of this Agreement and shall have effect accordingly.
- (D) In this Agreement, "subsidiary" and "holding company" have the meanings ascribed to them in Part 1 Division 4 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

## 2. SALE AND PURCHASE OF THE SALE SHARES

- (A) On the terms but subject to the conditions set out in this Agreement, the Vendor as beneficial owner shall sell and the Purchaser shall purchase or procure to purchase, the Sale Shares, free from any Encumbrance and together with all rights

and benefits attaching or accruing to it on or after the Completion Date (including the right to receive all dividends and other distributions declared, made or paid on or after the Completion Date).

- (B) The consideration for the sale and purchase of the Sale Shares shall be HK\$484,018,062 (the “**Consideration**”) (the adequacy and sufficiency of which the Parties acknowledge).
- (C) The Consideration shall be payable by the Purchaser to the Vendor or its nominee(s) in the following manners:-
  - (i) upon signing of this Agreement, a refundable deposit of HK\$48,401,806.2 (the “**Refundable Deposit**”) shall be paid by the Purchaser by way of cheque to Messrs. P. C. Woo & Co. of 12<sup>th</sup> Floor, Prince’s Building, 10 Chater Road, Central, Hong Kong being as the Purchaser’s solicitors to be held by them in an interest bearing account as stakeholders, which shall, upon Completion, be applied as partial payment of the Consideration or to be refunded to the Purchaser in accordance with Clauses 3(E)(i) and 4(D)(i) and (ii); and
  - (ii) upon Completion, the sum of HK\$435,616,255.8, being the remaining balance of the Consideration, shall be payable by the Purchaser by way of a cashier order drawn on a licensed bank in Hong Kong.

### 3. **CONDITIONS PRECEDENT**

- (A) Completion shall be conditional upon: -
  - (i) the Vendor’s Warranties remaining true and accurate and not misleading in any material respect as given as of the date of this Agreement and as of Completion and as if given at all times between the date of this Agreement and Completion;
  - (ii) the listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any suspension for no longer than seven consecutive trading days or such other period as the Purchaser may agree in writing or the suspension in connection with transactions contemplated under this Agreement) and there being no indication from the Stock Exchange and/or the Securities and Futures Commission of Hong Kong that listing of the Shares will be suspended, revoked or withdrawn; and
  - (iii) all other necessary approvals and consents, if any, in respect of this Agreement and the transactions contemplated hereunder having been obtained.
- (B) This Agreement is subject to the fulfilment of one of the following on or before the Long Stop Date:

- (i) the Purchaser receiving written notice issued by or on behalf of the Treasurer of the Commonwealth of Australia stating that there are no objections under the Australian Government's foreign investment policy and FATA to the transactions contemplated in this Agreement; or
- (ii) the expiry of the period provided under FATA during which the Treasurer of the Commonwealth of Australia may make an order or an interim order under FATA prohibiting the transactions contemplated in this Agreement; or
- (iii) if an interim order is made to prohibit the transactions contemplated in this Agreement, the subsequent period for making a final order has lapsed without any such final order being made.

For the avoidance of doubt, the Purchaser's obligations to purchase or procure to purchase the Sale Shares do not become binding until this Condition is satisfied.

- (C) The Purchaser may, in its sole and absolute discretion, waive any of the Conditions (except for the Conditions set out in Clauses 3(A)(ii) and (iii) and 3(B) which cannot be waived).
- (D) The Parties shall each use their respective best endeavours to fulfil, or procure the fulfilment of, the Conditions (to the extent such Party is responsible for such fulfilment) on or before 29 February 2016 (or such other date as may be agreed by the Vendor and the Purchaser in writing) (the "Long Stop Date").
- (E) If any of the Conditions are not fulfilled (or waived by the Purchaser in accordance with Clause 3(C) (as the case may be)) in accordance with this Agreement on or before the Long Stop Date, then the Parties shall not be obliged to proceed to Completion and the following shall apply:
  - (i) the Vendor shall refund in cash to the Purchaser the full amount of the Refundable Deposit together with accrued interests within 7 business days after the Long Stop Date (or such other date as may be agreed by the Vendor and the Purchaser in writing);
  - (ii) the provisions of this Agreement, except Clauses 1, 7, 13, 14, 16, 18 and 19 which shall remain in full force and effect, shall from such date cease to have any effect; and
  - (iii) no Party shall have any claim against any of the other Parties, except in respect of:-
    - (a) claims arising out of any antecedent breach of any of the provisions of this Agreement; or
    - (b) claims arising out of the continuing provisions mentioned in paragraph (ii) above.



#### 4. COMPLETION

(A) If all the Conditions are fulfilled (or waived by the Purchaser in accordance with Clause 3(C) (as the case may be)), Completion shall take place at 11:00a.m. on the Completion Date (or such other date and time as may be agreed by the Vendor and the Purchaser in writing) at the offices of the solicitors for the Purchaser in Hong Kong (or such other place as may be agreed by the Vendor and the Purchaser in writing).

(B) At Completion, all (but not part only, except where and to the extent as mutually agreed by the Vendor and the Purchaser) of the following businesses shall be transacted: -

(i) the Vendor shall deliver to the Purchaser:-

- (a) duly executed sold note and instrument of transfer in favour of the Purchaser and/or its nominees in respect of the Sale Shares;
- (b) deliver or cause to be delivered to the Purchaser an instruction signed by the Vendor to the Broker to instruct the Broker to transfer the Sale Shares from the Vendor's security account maintained with the Broker to such security account as directed by the Purchaser;
- (c) written confirmation from the Vendor confirming that it is not aware of any material matter of thing which is in breach of or inconsistent with the Vendor's Warranties;
- (d) certified copy of the board resolutions of the Vendor approving and authorising (i) the sale of the Sale Shares; and (ii) the execution, delivery and performance of this Agreement and all other documents necessary for the purpose of effecting this transaction and authorising a person or persons to execute the same (with seal, where appropriate) for and on its behalf; and
- (e) all such other documents, certificates and/or legal opinion(s) as may be reasonably required by the Purchaser that are necessary or desirable for the consummation of the transactions contemplated in this Agreement.

(ii) the Purchaser shall deliver, or procure to be delivered, to the Vendor: -

- (a) duly executed bought note and instrument of transfer in favour of the Vendor and/or its nominees in respect of the Sale Shares;
- (b) a cashier order drawn on a licensed bank in Hong Kong in favour of the Vendor pursuant to Clause 2(C)(ii); and

- (b) certified copy of the board resolutions of the Purchaser approving and authorising (i) the purchase of the Sale Shares; and (ii) the execution, delivery and performance of this Agreement and all other documents necessary for the purpose of effecting this transaction and authorising a person or persons to execute the same (with seal, where appropriate) for and on its behalf.
- (C) If the Vendor or the Purchaser shall, notwithstanding having exercised all reasonable endeavours, be unable to comply with any of their respective obligations under Clauses 4(B)(i) or 4(B)(ii) (as the case may be) or under any provisions of this Agreement on or before the date fixed for Completion, the Party not in default may:-
  - (i) defer Completion to a date not more than 28 days after the said date (and so that the provisions of Clause 4(B) shall apply to Completion as so deferred); or
  - (ii) proceed to Completion so far as practicable but without prejudice to that Party's rights (whether under this Agreement generally or under this Clause) to the extent that the other Party shall not have complied with its obligations hereunder; or
  - (iii) terminate this Agreement and the provisions of Clause 4(D)(i) or 4(D)(ii) (as the case may be) shall apply; or
  - (iv) sue for specific performance and Clause 4(E)(i) or 4(E)(ii) (as the case may be) shall apply.
- (D) If the Vendor or the Purchaser elects to terminate this Agreement under Clause 4(C)(iii):
  - (i) in the case of a termination by the Purchaser which is due to a default of the Vendor, the Vendor shall refund in cash to the Purchaser the full amount of the Refundable Deposit together with accrued interests within 7 business days after such notice of termination (or such other date as may be agreed by the Vendor and the Purchaser in writing) and shall indemnify the Purchaser against all reasonable costs properly incurred by the Purchaser in respect of and incidental to the negotiation, preparation, execution or termination of this Agreement or the fulfilment of any of the Conditions, whereupon all rights, obligations and liabilities of the Parties hereunder shall, except Clauses 1, 7, 13, 14, 16, 18 and 19 which shall remain in full force and effect, shall from such date cease to have any effect and none of the Parties shall have any claim against any other in respect of this Agreement and to indemnify the Purchaser as mentioned in this sub-Clause above, claims (if any) in respect of any antecedent breaches of this Agreement and claims (if any) arising out of the continuing provisions mentioned in this sub-Clause above; and

- (ii) in the case of a termination by the Vendor which is due to a default of the Purchaser, the Vendor shall have the right to forfeit the full amount of the Refundable Deposit together with accrued interests within 7 business days after such notice of termination (or such other date as may be agreed by the Vendor and the Purchaser in writing) and the Purchaser shall indemnify the Vendor against all reasonable costs properly incurred by the Vendor in respect of and incidental to the negotiation, preparation, execution or termination of this Agreement or the fulfilment of any of the Conditions, whereupon all rights, obligations and liabilities of the Parties hereunder shall, except Clauses 1, 7, 13, 14, 16, 18 and 19 which shall remain in full force and effect, from such date cease to have any effect and none of the Parties shall have any claim against any other in respect of this Agreement save for claims (if any) in respect of any antecedent breaches of this Agreement and claims (if any) arising out of the continuing provisions mentioned in this sub-Clause above.
- (E) If the Vendor or the Purchaser elects to sue for specific performance under Clause 4(C)(iv):
  - (i) in the case of default of the Vendor, the Purchaser shall be entitled to sue for specific performance by the Vendor of the Vendor's obligations pursuant to and in respect of all the transactions contemplated under this Agreement and recover from the Vendor damages for all such losses as may be directly or indirectly suffered or incurred by the Purchaser as a result of or in connection with the non-compliance on the part of the Vendor; and
  - (ii) in the case of default of the Purchaser, the Vendor shall be entitled to sue for specific performance by the Purchaser of the Purchaser's obligations pursuant to and in respect of all the transactions contemplated under this Agreement and recover from the Purchaser damages for all such losses as may be directly or indirectly suffered or incurred by the Vendor as a result of or in connection with the non-compliance on the part of the Purchaser.
- (F) Notwithstanding any provisions herein, no Party shall be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously upon Completion in accordance with the provision of this Clause 4.

## **5. VENDOR'S WARRANTIES AND INDEMNITIES**

- (A) The Vendor acknowledges that the Purchaser has entered into this Agreement in reliance on the Vendor's Warranties, notwithstanding any information regarding the Vendor and/or the Company which may otherwise have come into the possession of the Purchaser or which the Purchaser ought to have known or had constructive knowledge of.
- (B) The Vendor unconditionally and irrevocably represents and warrants to the Purchaser that each of the Vendor's Warranties set out in the recitals, this Clause

5 and Schedule 2 or otherwise contained in this Agreement is true and accurate and not misleading in any material respect as given as of the date of this Agreement and as of Completion, and as if given at all times between the date of this Agreement and Completion.

- (C) Each of the Vendor's Warranties is separate and independent, and the rights and remedies of the Purchaser in respect of any breach of the Vendor's Warranties shall not be affected or determined by any investigation made by the Purchaser or on its behalf or by any other event whatsoever, except with a specific and duly authorised waiver or release by the Purchaser.
- (D) Notwithstanding any provisions to the contrary herein, the Vendor shall not be liable for any claim for breach of the Vendor's Warranties unless the amount of the claim recoverable (whether of a single claim or together with the aggregate amount of various claims recoverable) by the Purchaser exceed a total sum of HK\$1,000,000.
- (E)
  - (i) No claim shall be brought by the Purchaser against the Vendor in respect of any breach of the Vendor's Warranties unless notice in writing of any such claim (specifying in reasonably sufficient details the nature of the breach and so far as practicable the amount claimed in respect thereof) has been delivered to the Vendor on or prior to the date of the first anniversary of the date of Completion (the "**Cut-Off Date**").
  - (ii) Any claim which has been made or shall be made before the Cut-Off Date shall, if it has not been previously satisfied, settled or withdrawn, be deemed to have been withdrawn and become fully barred and unenforceable on the expiry of the period of one (1) year commencing on the Cut-Off Date unless proceedings in respect thereof shall have been commenced against the Vendor prior to the expiry of such period and for this purpose proceedings shall not be deemed to have been commenced unless they shall have been issued and served upon the Vendor.
- (F) Notwithstanding any provision in this Agreement,
  - (i) the total liability of the Vendor in respect of all claims shall not exceed the Consideration; and
  - (ii) the Vendor shall not have any liability in respect of any representation, warranty, undertaking or indemnity contained in this Agreement to the extent that such liability arises solely by reason of any material act or material omission effected by the Purchaser.
- (G) Subject to the fulfilment of the Conditions so far as the Vendor is concerned, the Vendor unconditionally and irrevocably, represents and warrants to the Purchaser that as of the date of this Agreement and as of Completion:-

- (i) the Vendor has all necessary capacity and authority, and has obtained all necessary Authorisations, to execute this Agreement and to consummate the transactions contemplated in this Agreement;
  - (ii) this Agreement has been duly and validly executed by the Vendor, constitutes its legal, valid and binding obligations, and is enforceable against the Vendor in accordance with its terms under this Agreement;
  - (iii) there is no applicable Law which prohibits or restricts, or is reasonably expected to operate to prohibit or restrict, the consummation of any of the transactions contemplated in this Agreement; and
  - (iv) there are no bona fide Proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any Governmental Authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in this Agreement.
- (J) The Vendor shall unconditionally and irrevocably: -
- (i) indemnify the Purchaser and its Relevant Persons from and against all Losses directly or indirectly suffered or incurred by the Purchaser or its Relevant Persons as a result of or in connection with any material breach of any of the Vendor's Warranties or any material failure to duly perform or observe any of the obligations, undertakings or covenants of the Vendor required to be performed and observed by it under this Agreement; and
  - (ii) pay the Purchaser or such of its Relevant Persons (as the case may be) an amount representing the Losses as they are incurred, provided that the Purchaser or such of its Relevant Persons (as the case may be) shall, upon the request of the Vendor in writing, undertake to return such payment if it is finally adjudicated by a court of competent jurisdiction that it has no right to be indemnified under this Agreement or otherwise.

## 6. PURCHASER'S WARRANTIES

- (A) Subject to the fulfilment of the Conditions so far as the Purchaser is concerned, the Purchaser unconditionally and irrevocably represents and warrants to the Vendor that as of the date of this Agreement and as of Completion: -
- (i) the Purchaser has all necessary capacity and authority, and has obtained all necessary Authorisations, to execute this Agreement and to consummate the transactions contemplated in this Agreement;
  - (ii) this Agreement has been duly and validly executed by the Purchaser, constitutes its legal, valid and binding obligations, and is enforceable against the Purchaser in accordance with its terms under this Agreement;

- (iii) there is no applicable Law which prohibits or restricts, or is reasonably expected to operate to prohibit or restrict, the consummation of any of the transactions contemplated in this Agreement; and
- (iv) there are no bona fide Proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any Governmental Authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in this Agreement.

## 7. **CONFIDENTIALITY**

- (A) Each Party shall at all times maintain absolute confidentiality of this Agreement, and shall not at any time disclose any of the contents or existence of this Agreement to any other person (other than to his/its Relevant Persons in the proper course of their duties), without the prior consent of the other Party in writing.
- (B) Each Party undertakes with the other Party: -
  - (i) to hold all Confidential Information relating to the Company, or received from or provided by the other Party in connection with this Agreement or otherwise, as absolute secret;
  - (ii) not to disclose or cause, permit or suffer to be disclosed any such Confidential Information to any other person, except where:-
    - (a) such disclosure is made with the prior consent of the other Party in writing; and
    - (b) the person to whom such disclosure is made agrees to be bound by similar terms of confidentiality by executing a non-disclosure agreement to the reasonable satisfaction of the non-disclosing Party;
  - (iii) not to use, publish, duplicate or copy or cause, permit or suffer to be used, published, duplicated or copied any such Confidential Information in any form or manner or for any purpose, except for the proper performance of its obligations under this Agreement; and
  - (iv) to ensure that its Relevant Persons shall not, except in the proper course of their duties, at any time during or after their employment disclose or cause, permit or suffer to be disclosed any such Confidential Information to any person or use, publish, duplicate or copy or cause, permit or suffer to be used, published, duplicated or copied any such Confidential Information in any form or manner or for any purpose.

- (C) The provisions set out in this Clause 7 shall not apply to a Party in respect of any Confidential Information which:-
- (i) the other Party has identified it as being non-confidential;
  - (ii) has come into public domain otherwise than by any breach on the part of such Party; or
  - (iii) is required by any relevant Governmental Authority or regulatory body (including but not limited to the Stock Exchange), by any Law or Listing Rules or pursuant to an order of a court of competent jurisdiction to be disclosed.
- (D) The provisions in this Clause 7 shall apply notwithstanding the termination of this Agreement or after Completion.

8. **FURTHER ASSURANCES**

Each Party undertakes with the other Party that it will execute all such documents and do all such acts and things as the other Party may at any time and from time to time reasonably request and as may be lawful and within its power to do to carry into effect or to give legal effect to the provisions in this Agreement and the transactions contemplated in this Agreement.

9. **CONTINUING EFFECT**

All provisions of this Agreement shall, insofar as they are capable of being performed or observed, continue in full force and effect notwithstanding any completion of this Agreement, except in respect of those matters then already performed.

10. **ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement and understanding between the Parties in relation to the transactions contemplated by this Agreement, and supersedes and cancels in all respects all previous letters of intent, correspondence, understandings, agreements and undertakings (if any) between the Parties with respect to the subject matter of this Agreement, whether such be written or oral.

11. **SEVERABILITY**

If at any time one or more of the provisions of this Agreement is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions of this Agreement shall not thereby in any way be affected or impaired.

12. **WAIVER AND OTHER RIGHTS**

- (A) No single or partial exercise of, or failure or omission to exercise or delay in exercising any right, power, claim or remedy vested in a Party under or pursuant to this Agreement or otherwise shall affect, prejudice or constitute a waiver by such Party of such or any other right, power, claim or remedy.
- (B) Any right, power, claim or remedy expressly conferred upon a Party under this Agreement shall be in addition to and without prejudice to all other rights, powers, claims and remedies which would otherwise be available to such Party under this Agreement or at Law.

13. **NOTICES**

- (A) Any notice, demand or other communication to be given by a Party to any other Party under this Agreement shall be in writing, and shall be deemed duly served if:-

- (i) delivered personally;
- (ii) sent by prepaid registered post; or
- (iii) sent by facsimile transmission,

to the address or facsimile number (as the case may be) of such other Party previously in writing notified to the Party serving the same (and, in the case of any subsequent change of the address or facsimile number, such notification shall be given in accordance with the provisions of this Agreement and shall state in clear terms the intention to change the address or facsimile number, as the case may be).

- (B) A notice, demand or other communication shall be deemed served: -

- (i) if delivered personally, at the time of delivery;
- (ii) if sent by post, at the expiration of two business days (for local addresses in Hong Kong) or five business days (for any other overseas address) after the envelope containing the same has been delivered into the custody of the postal authorities; and
- (iii) if sent by facsimile transmission, upon receipt by the Party giving the same of machine printed confirmation of such transmission.

- (C) In proving the service of any notice, demand or other communication, it shall be sufficient to prove that: -

- (i) in the case of personal delivery, the same has been delivered or left at the address, or the postal box of such address, of the Party to be served on;



- (ii) in the case of a mail, the envelope containing the same has been properly addressed, delivered into the custody of the postal authorities and duly stamped; and
  - (iii) in the case of a facsimile transmission, the same has been duly transmitted to the facsimile number of the Party to be served on.
- (D) For the purposes of this Clause 13, the initial address and facsimile number of each Party are: -

The Vendor

Address: 47/F, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong

Facsimile number: (852) 2961 3500

For the attention of Ms. Chong Sok Un

The Purchaser

Address: 22<sup>nd</sup> Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong

Facsimile number: (852) 2598 0419

For the attention of Mr. Li Chi Kong, Kenneth

14. TIME

Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned in this Agreement and as to any date and period which may by written agreement between or on behalf of the Parties be substituted for them.

15. ASSIGNMENT

This Agreement shall be binding on and shall enure for the benefit of the successors and assignees of the Parties. None of the Parties may assign any of its rights or obligations under this Agreement without the prior consent of the other Party in writing.

16. COSTS AND EXPENSES

- (A) Each Party shall bear all its own legal and professional fees, costs and expenses of and incidental to the negotiation, preparation, execution and completion of this Agreement.
- (B) The stamp duty payable (if any) on the sale and purchase of the Sale Shares shall be borne by the Parties in equal share.

17. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by either Party on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

18. **GOVERNING LAW AND JURISDICTION**

- (A) This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong.
- (B) The Parties submit to the non-exclusive jurisdiction of the courts of Hong Kong.
- (C) The Vendor irrevocably appoints Robertsons (address: 57/F, The Centre, 99 Queen's Road, Hong Kong, fax: (852) 2868 5820) as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. Any such legal process shall be sufficiently served on it if delivered to such service agent.
- (D) The Purchaser irrevocably appoints AP Development Limited (address: 22<sup>nd</sup> Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong) as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. Any such legal process shall be sufficiently served on it if delivered to such service agent.
- (E) If the service agent of a Party ceases to be able to act as service agent for any reason or no longer has an address in Hong Kong, a substitute service agent with an address in Hong Kong acceptable to the other Party shall be appointed, and a copy of the substitute service agent's acceptance of such appointment shall be given to the other Party within five business days from the date of such appointment. In the event of any failure to appoint a substitute service agent, it shall be effective service for the other Party to serve the process upon the last known address in Hong Kong of the last known service agent for such Party notified to other Party, notwithstanding that such service agent is no longer found at such address or has ceased to act.
- (F) Any writ, summons, order, judgment or other notice of legal process shall be sufficiently served on a Party who is an individual, if personally served on him or left at his address previously notified to the other Party under Clause 18.

19. **LEGAL REPRESENTATION**

The Vendor hereby acknowledges and confirms that Messrs. P. C. Woo & Co. are the legal advisers to the Purchaser only in connection with the negotiation and preparation of this Agreement and that the Vendor has been advised to seek independent legal advice in connection with the preparation of and the transactions contemplated under this Agreement.

IN WITNESS whereof the Parties have executed this Agreement the day and year first above written.

**SCHEDULE 1****PARTICULARS OF THE COMPANY**

1. Name of company: **APAC Resources Limited**  
(Stock code: 1104)
2. Place of incorporation: Bermuda
3. Registered office: Clarendon House, 2 Church Street, Hamilton HM11,  
Bermuda
4. Principal place of business in Hong Kong: 32nd Floor, China Online Centre, 333 Lockhart  
Road, Wanchai, Hong Kong
5. Authorised share capital: HK\$2,000,000,000 divided into 20,000,000,000  
Shares of HK\$0.10 each
6. Issued shares: 9,191,651,985 Shares
7. Directors:
  - (1) Ms. Chong Sok Un
  - (2) Mr. Andrew Ferguson
  - (3) Mr. Kong Muk Yin
  - (4) Mr. Lee Seng Hui
  - (5) Mr. So Kwok Hoo
  - (6) Dr. Wong Wing Kuen, Albert
  - (7) Mr. Chang Chu Fai, Johnson Francis
  - (8) Mr. Robert Moyse Willcocks
8. Company secretary: Mr. Wong Wai Keung, Frederick
9. Principal business: Investment Holding

## **SCHEDULE 2**

### **The Vendor's Warranties**

#### **1. General Information and powers of the Vendor**

- 1.1 The Vendor has full power to enter into this Agreement and to exercise its rights and perform its obligations hereunder and (where relevant) all corporate and other actions required to authorise its execution of this Agreement and its performance of its obligations hereunder have been duly taken and this Agreement will, when executed by it, be a legal, valid and binding agreement on it and enforceable in accordance with the terms thereof.
- 1.2 The execution, delivery and performance of this Agreement by the Vendor and the consummation of the transactions contemplated under this Agreement does not and will not violate in any respect any provision of (i) any law or regulation or any order or decree of any Governmental Authority, agency or court of Hong Kong, the British Virgin Islands, or any jurisdiction in which the Vendor was incorporated or reside; or (ii) the laws and documents incorporating and constituting the Company.
- 1.3 No consent of or filing or registration with or exemption by or other requirement of any governmental department authority or agency in Hong Kong or any jurisdiction in which any of the Vendor or the Company is incorporated or resides is required in relation to the valid execution, delivery or performance of this Agreement and the transactions contemplated hereunder (or to ensure the validity or enforceability thereof).
- 1.4 The information of the Vendor and the Company set out in the Recitals is true, accurate and complete.
- 1.5 The information of the Company set out in Schedule 1 hereto is true, accurate and complete.
- 1.6 All written information pertaining to the Company given to the Purchaser or its professional advisers by the Vendor, during the negotiations prior to this Agreement, was when given and is as at the date of this Agreement true and accurate in all material respects. To the best knowledge of the Vendor, there is no fact, matter or circumstance which has not been disclosed in writing to the Purchaser or its professional advisers which renders any such information untrue, inaccurate or misleading in any material respect.

#### **2. Sale Shares**

- 2.1 The Sale Shares were allotted and issued fully paid in accordance with the Memorandum of Association and Bye-Laws of the Company and in compliance with all relevant laws of the jurisdiction in which it is incorporated.
- 2.2 The Sale Shares represent approximately 23.9% of the total issued share capital

of the Company as at the date of this Agreement. All of the Shares are fully paid and rank pari passu with other existing shares of the Company in all respects.

- 2.3 The Vendor is the sole legal and beneficial owner of the Sale Shares and, on Completion, is entitled to sell and transfer the ownership of such Sale Shares to the Purchaser or its nominees free from Encumbrances and with all rights now and hereafter relating to such Sale Shares.
- 2.4 On Completion, there is no Encumbrance on any of the Sale Shares. On Completion, there is no agreement or commitment by the Company to give or create any Encumbrance on any of the Sale Shares. There is no claim, litigation, arbitration, prosecution, administrative or other legal proceedings or dispute in existence or threatened against the Vendor and/or the Company in respect of the Sale Shares.
- 2.5 On Completion, the Sale Shares may be sold by the Vendor to the Purchaser without the consent of any third party.

3. **General**

The execution, delivery and performance of this Agreement will not result in the breach, cancellation or termination of any of the terms or conditions of, or constitute a default, under any material agreement, or affect or give rise to a right of any other party to terminate or cancel any such material agreement, or materially violate any applicable Law or any order, writ, injunction or decree of any court of competent jurisdiction affecting the Company. Save as disclosed in this Agreement, the execution, delivery and performance of this Agreement by the Vendor do not and will not require any Authorisation.

**EXECUTION PAGE****The Vendor**SIGNED by *CHONK SOK UN*for and on behalf of  
**VIGOR ONLINE OFFSHORE LIMITED**  
in the presence of:-*Minna, Dr.*  
*Wei San Yu, Minna*

**The Purchaser**

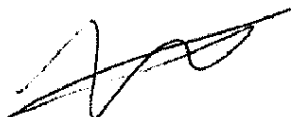
SIGNED by

WONG TAI CHUN MARK

for and on behalf of

**ALLIED PROPERTIES INVESTMENTS (1)  
COMPANY LIMITED**

in the presence of:-



YIP TSUN YUEN

