

## APAC Coal Limited

A.C.N 126 296 295

Suite 904, 37 Bligh St, Sydney NSW 2000  
Tel: +61 2 9233 3308 Fax: +61 2 9233 3307  
www.apaccoal.com



2 August 2016

# Acquisition of Goyes

On 30 June 2016, APAC Coal Limited (“APAC”) announced it had entered into a share purchase agreement to acquire 100% of the shares in Goyes Agri-Food Investment Limited (“GAF”) from Sharp Year Ventures Limited (“SYV”).

The transaction has been amended with the effect that APAC will acquire GAF by acquiring 100% of the shares in GAF’s holding company, SYV (the “Acquisition”). The only asset owned by SYV is 100% of the shares in GAF. Therefore, there is no change to the substance of the transaction as previously announced.

The consideration for the purchase remains the same, that is the consideration will be A\$136 million, funded by the issue of 272 million fully paid ordinary shares (“Consideration Shares”) by APAC at A\$0.50 per share (post-consolidation). All other terms of the SYV share purchase agreement remain the same as the previous share purchase agreement as announced on 30 June 2016.

## Vendor

The Vendor of the SYV shares is Mr He Liangping Gordulan, a permanent resident of Australia.

Mr He has been assisted in funding the development of SYV and GAF by 22 investors (“SYV Investors”). On completion of the acquisition, the SYV Investors will be repaid by being issued with a proportion of the Consideration Shares. On completion therefore, the 272 million Consideration Shares will be issued to Mr He (137,782,400) and the SYV Investors (134,217,600).

## ASX Relisting

The all-scrip offer for Goyes is subject to shareholder approval and certain conditions precedent. The acquisition is expected to be completed in September 2016.

The acquisition will constitute a change in the nature and/or scale of the activities of APAC in accordance with Chapter 11 of the ASX Listing Rules. This will require APAC to re-comply with the ASX admission requirements of Chapters 1 & 2 of the ASX Listing Rules. The admission requirements will, amongst other things, require APAC to issue a prospectus. APAC intends to raise a minimum of A\$2 million under that prospectus.

A summary of the key terms of the acquisition is provided below (unchanged from previously announced other than the Vendor and the shares in SYV are being acquired). Further details of the transaction and consideration will be set out in the Notice of Meeting to be sent to shareholders to consider and approve the acquisition at a meeting to be held at the earliest opportunity. The Company will remain suspended until re-compliance with Chapters 1 and 2.

## Summary of Acquisition Terms:

The terms of the acquisition, *inter alia*, are as follows:

## APAC Coal Limited

A.C.N 126 296 295

Suite 904, 37 Bligh St, Sydney NSW 2000

Tel: +61 2 9233 3308 Fax: +61 2 9233 3307

www.apaccoal.com



- On the receipt of all relevant approvals, APAC will acquire all of the issued capital of SYV.
- The consideration for the acquisition is the issue to the Vendor and the SYV Investors of 272 million ordinary fully paid shares, each issued at an issue price of A\$0.50 (on a post-consolidation basis) (Consideration Securities).
- Prior to the issue of the shares to the Vendor, the shares in APAC are to be consolidated on a ratio of 100:1.
- Subject to a definitive agreement and the Completion, to dispose all existing assets on the date of the General Meeting.

Completion of the Acquisition is conditional upon the satisfaction of the following conditions precedent:

- (a) APAC completing commercial, financial, technical and legal due diligence on Goyes and its assets, undertakings and business operations, to the sole and absolute satisfaction of APAC (acting reasonably);
- (b) APAC, having obtained all necessary shareholder approvals (including shareholder approvals: under Chapter 11 of the Listing Rules; for a share consolidation on a 100:1 basis; and under Section 611 item 7 of the Corporations Act in respect of any party who may go above 20% as a result of the transactions contemplated in the SPA), required by the Corporations Act and the Listing Rules in relation to the Acquisition;
- (c) the parties obtaining any necessary regulatory approvals on terms acceptable to the parties as are required to give effect to the Acquisition, including (if required) re-compliance with Chapters 1 and 2 of the Listing Rules of ASX on terms required by ASX; and
- (d) APAC completing a capital raising of not less than \$2,000,000 at a price per share of \$0.50 (post-consolidation).

Following completion, the Board of APAC will be as follows:

- (a) 4 directors nominated by the Vendors; and
- (b) 1 existing director of APAC.

### Capital Structure post-acquisition and post-consolidation

	Shares	%
Current APAC shareholders	2,497,057	0.84%
Convertible Note Holders	833,333	0.28%
Vendor	137,782,400	46.18%
SYV Investors	134,217,600	44.98%
Professional Advisors	19,040,000	6.38%
Shareholders pursuant to Prospectus	4,000,000	1.34%
<b>Total</b>	<b>298,370,390</b>	<b>100.00%</b>

## APAC Coal Limited

A.C.N 126 296 295

Suite 904, 37 Bligh St, Sydney NSW 2000  
Tel: +61 2 9233 3308 Fax: +61 2 9233 3307  
www.apaccoal.com



### Proposed Timetable

The timetable advised in the announcement on 30 June 2016 has been amended as follows:

Announce Transaction	30 June 2016
Despatch notice of general meeting	16 August 2016
Opening of prospectus offer	31 August 2016
Meeting date	16 September 2016
Close capital raising	29 September 2016
Complete acquisition	5 October 2016
ASX Re-compliance	12 October 2016

### Financials

Attached as Annexure A is a summary of the Goyes audited accounts for the years ended 31 December 2012, 2013 and 2014. The audited accounts for the year ended 31 December 2015 are currently being finalised and are subject to audit.

Luke Ho  
Executive Director

**APAC Coal Limited**

A.C.N 126 296 295

Suite 904, 37 Bligh St, Sydney NSW 2000

Tel: +61 2 9233 3308 Fax: +61 2 9233 3307

www.apaccoal.com



## Annexure A

**GOYES Group****Combined Statements of Profit & Loss And Other Comprehensive Income  
For The Financial Years Ended 31 Dec 2012, 2013 & 2014**

Exchange Rate: 1 AUD = 4.8696 RMB

	2014 AUD'000	2013 AUD'000	2012 AUD'000
Revenue	176,661	155,571	124,548
Cost of Sales	(146,148)	(135,014)	(112,160)
Gross Profit	30,513	20,557	12,387
Other Income	6,534	5,641	1,047
Selling and Distribution Expenses	(2,914)	(3,801)	(2,459)
Administrative Expenses	(3,550)	(3,143)	(2,946)
Other Expenses	(198)	(1,693)	(948)
Finance Costs	(2,902)	(2,054)	(1,879)
Profit before Taxation	27,483	15,507	5,202
Taxation	(2,059)	(1,275)	(98)
<b>Profit for the year, representing total comprehensive income for the year</b>	<b>25,424</b>	<b>14,232</b>	<b>5,104</b>

**APAC Coal Limited**

A.C.N 126 296 295

Suite 904, 37 Bligh St, Sydney NSW 2000  
 Tel: +61 2 9233 3308 Fax: +61 2 9233 3307  
 www.apaccoal.com



## Annexure A (cont'd)

**GOYES Group****Combined Statements of Financial Position****As at 31 Dec 2012, 2013 & 2014****Exchange Rate: 1 AUD = 4.8696 RMB**

	2014 AUD'000	2013 AUD'000	2012 AUD'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	17,935	8,707	8,359
Land Use Rights Prepayments	2,440	2,501	2,562
Biological Assets	73	107	139
Prepayment	4,107	-	-
	<b>24,555</b>	<b>11,314</b>	<b>11,060</b>
<b>Current Assets</b>			
Land Use Rights Prepayments	61	61	61
Biological Assets	95	140	197
Available-For-Sale Debt Instrument	61,607	61,607	51,339
Inventories	3,655	5,072	2,720
Trade and Other Receivables	66,168	61,275	44,993
Cash and Bank Balances	8,601	11,457	2,397
	<b>140,187</b>	<b>139,613</b>	<b>101,707</b>
<b>TOTAL ASSETS</b>	<b>164,742</b>	<b>150,927</b>	<b>112,767</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital <sup>(1)</sup>	-	-	-
Reserves	72,689	47,264	31,389
<b>Total Equity</b>	<b>72,689</b>	<b>47,264</b>	<b>31,389</b>
<b>Current Liabilities</b>			
Trade and Other Payables	13,832	34,648	50,373
Borrowings	71,528	60,416	30,893
Deferred Income	3,517	7,246	-
Current Tax Payable	3,176	1,353	112
	92,054	103,663	81,378
<b>Total Liabilities</b>	<b>92,054</b>	<b>103,663</b>	<b>81,378</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>164,742</b>	<b>150,927</b>	<b>112,767</b>

<sup>(1)</sup> Amount less than A\$200.00