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APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

**UPDATE ANNOUNCEMENT
IN RELATION TO THE DISCLOSEABLE TRANSACTION**

Reference is made to the announcements of APAC Resources Limited (the “**Company**”) dated 18 December 2013 and 20 December 2013 (the “**Announcements**”) and the announcement dated 1 June 2015 of China Yunnan Tin Minerals Group Company Limited (“**CYT**”) (the “**CYT Update Announcement**”). Unless otherwise specified, capitalized terms used herein shall bear the same meanings as defined in the Announcements.

As set out in the Announcements, on 4 June 2012, APAC Resources Capital entered into the Subscription Agreement with the CYT Vendor to subscribe for the Exchangeable Notes with a maturity date of 3 June 2015. Pursuant to the terms and conditions of the Exchangeable Notes, the Exchangeable Notes shall automatically exchange for shares of a company to be listed in the event the CYT Vendor seeks a listing or into shares of a purchaser in the event of the assets of the CYT Vendor are sold to a corporate entity purchaser. As a result of the CYT Acquisition which constitutes a qualifying event for mandatory exchange under the Exchangeable Notes, on its completion, APAC Resources Capital will be allotted and issued 514,406,250 CYT Shares at HK\$0.20 per CYT Shares representing 13.8% of the entire issued share capital of CYT upon completion of the CYT Acquisition and the CYT Fund Raising Exercise but before the conversion of the CYT Convertible Bonds.

As set out in the CYT Update Announcement, the board of directors of CYT, having taken into consideration the current market conditions, in particular, the iron ore product price which has been dropping recently, intends not to proceed with the CYT Acquisition.

As a result of the intention of the board of directors of CYT not to proceed with the CYT Acquisition, a qualifying event has not materialised for mandatory exchange and therefore, APAC Resources Capital will no longer be entitled to exercise its right of automatic exchange for CYT Shares as contemplated under the CYT Acquisition.

The Company will make further announcement as and when applicable pursuant to the requirements under the Listing Rules.

On behalf of the Board
APAC Resources Limited
Chong Sok Un
Chairman

Hong Kong, 2 June 2015

As at the date of this announcement, the directors of the Company are:

Executive Directors

Ms. Chong Sok Un (*Chairman*), Mr. Andrew Ferguson (*Chief Executive Officer*) and Mr. Kong Muk Yin

Non-Executive Directors

Mr. Lee Seng Hui (*Mr. Peter Anthony Curry as his alternate*) 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*