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APAC RESOURCES LIMITED
亞太資源有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1104)

**INSIDE INFORMATION
AND
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that the interim results of the Group for the 1H 2016 Period are expected to record a substantial reduction in loss attributable to owners of the Company as compared to the loss attributable to owners of the Company for the 1H 2015 Period.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by APAC Resources Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2015 (the “**1H 2016 Period**”) and the information currently available, in particular public information of the two principal listed associates of the Group, Mount Gibson Iron Limited (“**Mount**

Gibson”) and Metals X Limited which have yet to release their interim results for the 1H 2016 Period, the interim results of the Group for the 1H 2016 Period are expected to record a substantial reduction in loss attributable to owners of the Company as compared to the loss attributable to owners of the Company for the six months ended 31 December 2014 (the “**1H 2015 Period**”). The expected reduction in the loss attributable to owners of the Company for the 1H 2016 Period mainly reflects the sharing by the Group in the 1H 2015 Period of the non-recurring reported losses (the “**Non-recurring Losses**”) of Mount Gibson, which was partially offset by the reversal of impairment loss already accounted for in the Group’s share of losses of Mount Gibson, but was not repeated in the 1H 2016 Period. The Non-recurring Losses were attributable to the flooding of the Koolan Island mine of Mount Gibson after a seawall failure and lower iron ore prices as previously announced by the Company on 28 January 2015, 17 February 2015 and 27 February 2015.

The information contained in this announcement is only based on the preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the 1H 2016 Period and the information currently available, which are still under finalization and subject to the review by the auditor of the Company. The interim results announcement of the Company for the 1H 2016 Period is expected to be released before the end of February 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
APAC Resources Limited
Chong Sok Un
Chairman

Hong Kong, 20 January 2016

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*