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APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

DISCLOSEABLE TRANSACTION

The Board announces that APAC Resources Capital Limited, a wholly owned subsidiary of the Company, has in aggregate acquired 12,374,256 shares in Mount Gibson through on-market transactions conducted on the ASX for an aggregate consideration of approximately A\$15,330,704 (equivalent to approximately HK\$118,882,386) during the period from 9 August 2011 to 4 January 2012.

As one of the applicable percentage ratios for the Acquisition, when aggregated with all other acquisition of shares in Mount Gibson in the last twelve months, is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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As the Acquisition was conducted through the open market, the identity of the counterparty(ies) of the Acquisition cannot be ascertained by the Group. However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Directors believe that the counterparty(ies) and its/their ultimate beneficial owner(s), is/are Independent Third Parties.

CONSIDERATION

The aggregate consideration for the Acquisition is A\$15,330,704 (equivalent to approximately HK\$118,882,386) and has been/shall be fully settled in cash. The consideration was determined by reference to the prevailing trading prices of the shares of Mount Gibson on the ASX at the time of the Acquisition.

INFORMATION ON THE GROUP

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange. The Group is an established natural resources investment and commodities business group which focuses on natural resources with business lines comprising primary strategic investment; resource investment; and commodity business.

INFORMATION ON MOUNT GIBSON

Mount Gibson is a company limited by shares incorporated in Australia, the shares of which are listed on the ASX. Mount Gibson is principally engaged in mining of hematite deposits at Talling Peak and Koolan Island, construction and development of the Extension Hill project, and exploration and development of hematite deposits in the Mid-West region of Western Australia.

Based on the audited consolidated financial statements of Mount Gibson for the year ended 30 June 2011, the consolidated net profits before and after taxation for the two financial years ended 30 June 2010 and 2011 and the consolidated net assets of Mount Gibson as at 30 June 2010 and 2011 are as follows:

	For the year ended 30 June			
	2011		2010	
	A\$'000	HK\$'000	A\$'000	HK\$'000
Consolidated net profit before taxation	342,888	2,865,686	188,308	1,251,071
Consolidated net profit after taxation	239,500	2,001,621	132,395	879,599
	As at 30 June			
	2011		2010	
	A\$'000	HK\$'000	A\$'000	HK\$'000
Consolidated net assets	1,166,541	9,331,491	926,908	6,158,145

Note:

The translation of A\$ into HK\$ is based on the exchange rate of 6.644 and 8.358 as at 30 June 2010 and 30 June 2011 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition represents a good opportunity for the Group to increase its shareholding in Mount Gibson with reference to the recent share price of Mount Gibson and the Directors are optimistic about the long term potential growth of Mount Gibson.

The Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios for the Acquisition, when aggregated with all other acquisition of shares in Mount Gibson in the last twelve months, is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

“A\$”	Australian dollar(s), the lawful currency of Australia
“Acquisition”	the acquisition of 12,374,256 shares in Mount Gibson by APAC Resources Capital Limited through on-market transactions conducted on the ASX, representing approximately 1.14% of the total issued share capital of Mount Gibson as at the date of this announcement
“ASX”	the Australian Stock Exchange
“Board”	the board of Directors
“Company”	APAC Resources Limited (亞太資源有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Parties”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Mount Gibson”	Mount Gibson Iron Limited, a company limited by shares incorporated in Australia, the shares of which are listed on the ASX and is an associate of the Company
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company

Unless otherwise stated, amounts in A\$ have been translated into HK\$ at the exchange rates on the relevant dates of the acquisition or settlement which are within the range of HK\$7.557 to HK\$8.172 to A\$1 for illustration purpose only. No representation has been made that any amount in A\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

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

Hong Kong, 5 January 2012

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*), Mr. Yue Jialin and Mr. Kong Muk Yin

Non-Executive Directors

Mr. Lee Seng Hui, Mr. So Kwok Hoo, Mr. Liu Yongshun and Mr. Peter Anthony Curry

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks

* *For identification purpose only*