APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to inform the shareholders of the Company and potential investors that the annual results of the Group for the 2012 Year are expected to record a loss as compared with a profit recorded for the eighteen months ended 30 June 2011.

Shareholders of the Company 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(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that the annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 30 June 2012 (the "**2012 Year**") are expected to record a loss as compared with a profit recorded for the eighteen months ended 30 June 2011. The loss is mainly attributable to (i) the unrealised fair value mark down on securities held for trading and investment; and (ii) the expected drop in the Group's share of profits (net of losses) of associates. Principal contributors to the loss of the Group are (i) weakening of the global natural resource sector resulting from the continued nervousness by the financial markets over the prolonged sovereign debt issues in the Eurozone region and concerns over Chinese economic growth; (ii) the significant downward adjustments in global iron ore prices since October 2011; and (iii) negative sentiment surrounding global economic growth.

This information contained in this announcement is only based on the preliminary assessment of the consolidated management accounts and estimated results of the principal listed associates of the Group for the 2012 Year which have not been confirmed nor reviewed by the auditor of the Company. The Company is in the process of finalising the annual results of the Group for the 2012 Year. The annual results announcement of the Company for the 2012 Year is expected to be released before the end of September 2012.

Shareholders of the Company 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, 29 August 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 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*