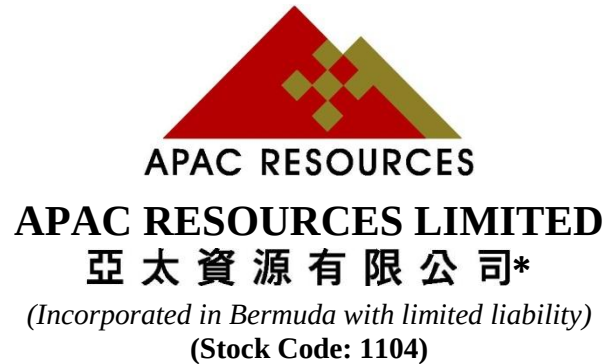


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INSIDE INFORMATION

(1) PROVISION FOR IMPAIRMENT OF THE GROUP'S INTERESTS IN ASSOCIATES AND (2) 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).

Reference is made to the Company's announcement dated 8 July 2013 informing its shareholders and potential investors that the Group was likely to make an impairment provision on the carrying value of its interests in associates for the 2013 Year and that the actual basis and amount of the provision had yet to be determined by the Audit Committee and agreed with the Auditor.

The Board wishes to inform the shareholders of the Company and potential investors that the Audit Committee has completed the review of the carrying value of the Group's interests in associates as at 30 June 2013 and has determined the basis for the determination of the impairment provision. Based on this review, for the 2013 Year, an impairment provision of approximately HK\$2,111 million is expected to be made against the carrying value of the Group's interests in associates as at 30 June 2013. Such impairment provision is expected to turn the profit before impairment provision into a substantial loss for the 2013 Year as compared with the loss recorded for the 2012 Year (as restated) both before and after taking into account the impairment provision for that year.

The Board wishes to emphasise that the impairment provision in question is a non-cash accounting related adjustment which is subject to review and assessment at the end of each reporting period while the Group's interests in associates are held for the long term. As such and with the Group continuing to maintain a healthy net cash balance, such provision is not expected to have any material impact on the financial strength of the Group.

The impairment provision in question and the Group's final results for the 2013 Year have not been confirmed by the Auditor. The Company is in the process of finalising the annual results of the Group for the 2013 Year. The Company's final results announcement for the 2013 Year is expected to be released before the end of September 2013.

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**” together with its subsidiaries the “**Group**”) 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).

Reference is made to the Company's announcement dated 8 July 2013 (the “**July 2013 Announcement**”) informing its shareholders and potential investors that the Group was likely to make an impairment provision on the carrying value of its interests in associates for the 2013 Year and that the actual basis and amount of the provision had yet to be determined by the Audit Committee and agreed with the Auditor. Capitalised terms used herein shall have the same meanings as defined in the July 2013 Announcement unless the context requires otherwise.

The Board wishes to inform the shareholders of the Company and potential investors that the Audit Committee has completed the review of the carrying value of the Group's interests in associates as at 30 June 2013 and has determined the basis for the determination of the impairment provision. Based on this review, for the 2013 Year, an impairment provision of approximately HK\$2,111 million is expected to be made against the carrying value of the Group's interests in associates as at 30 June 2013.

Such impairment provision is expected to turn the profit before impairment provision into a substantial loss for the 2013 Year as compared with the loss recorded for the year ended 30 June 2012 (the “**2012 Year**”) both before and after taking into account the impairment provision for that year. The recorded loss for the 2012 Year for comparison purposes has been based on the results as restated due to the early adoption of the new accounting standard on the treatment of mine waste stripping costs, details of which were set out in note 2 of the condensed consolidated financial statements of the Group on page 20 of the Interim Report 2012.

The improvement in profitability before impairment provision is mainly attributable to (i) the expected increase in the Group's share of profits (net of losses) of associates which reflects the turnaround performance of one of the two major listed associates of the Group, which turned a reported loss for the 2012 Year into a reported profit for the 2013 Year, benefited from higher throughput, higher grade ore mined, higher average realised tin prices and improved production efficiency while the contribution from the other major listed associate remained at similar level as the 2012 Year; and (ii) an expected improved performance in the resource investment business resulting in a smaller reported loss, due to an increased weighting in cash and producing resources companies which are less volatile.

The Board wishes to emphasise that the impairment provision in question is a non-cash accounting related adjustment which is subject to review and assessment at the end of each reporting period while the Group's interests in associates are held for the long term. As such and with the Group continuing to maintain a healthy net cash balance, such provision is not expected to have any material impact on the financial strength of the Group.

The impairment provision in question and the Group's final results for the 2013 Year together with other information contained in this announcement are only based on the preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the 2013 Year and other information currently available, which are under review and subject to finalisation and confirmation by the Auditor. The Company's final results announcement for the 2013 Year is expected to be released before the end of September 2013.

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, 6 September 2013

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. 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*