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**INSIDE INFORMATION
AND
POSITIVE PROFIT ALERT**

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, Law of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that the interim results of the Group for the 2013 Period are expected to record a substantial increase in profits as compared with that for the 2012 Period.

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 of the Rules Governing the Listing of Securities 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, Law of Hong Kong). References are made to the announcement of the Company dated 23 January 2014 in relation to the conditional repurchase cash offer (the “**Announcement**”). Unless the context requires otherwise, capitalised terms used herein have the same meanings as those defined in the Announcement.

The Board wishes to inform the Shareholders and potential investors that the interim results of the Group for the six months ended 31 December 2013 (the “**2013 Period**”) are expected to record a significant increase in profits as compared with that for the six months ended 31 December 2012 (the “**2012 Period**”). The significant improvement in profitability is mainly attributable to (i) an increase in share of profits (net of losses) of associates; and (ii) the partial release of the impairment losses

previously provided against the carrying value of the Group's two listed associates. The improvement in the overall share of profits (net of losses) of associates compared with the 2012 Period reflected the solid results reported by one of the principal associates of the Group, benefited from strong iron ore prices and increased throughput as compared with the 2012 Period while the improved share prices of the two principal associates of the Group allowed the Group to release over 50% of the impairment losses brought forward from 30 June 2013.

The information contained in this announcement is only based on the preliminary assessment of the consolidated management accounts of the Group for the 2013 Period which are under review and subject to confirmation by the auditor of the Company. The Company is in the process of finalising the interim results of the Group for the 2013 Period. The interim results announcement of the Company for the 2013 Period is expected to be released on 25 February 2014.

With the publication of the Announcement in relation to, among other things, the Offer, the offer period has commenced since 23 January 2014. Therefore, the profit alert for the 2013 Period contained in this announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and therefore must be reported on by a financial adviser and the reporting accountants of the Company. The Company has undertaken that reports from a financial adviser and the reporting accountants will be included in the Offer Document should the results for the 2013 Period are not yet released before the despatch of the Offer Document.

Attention is drawn to the fact that the profit alert for the 2013 Period contained in this announcement has not been reported on in accordance with the Takeovers Code and therefore should not be relied upon as a forecast of any future profitability of the Group. Accordingly, Shareholders and investors should exercise caution when interpreting this announcement or when placing reliance on this announcement in assessing the merits or demerits of the transactions contemplated in the Announcement.

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, 19 February 2014

As at the date of this announcement, the Directors 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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

* *For identification purpose only*