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APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

ANNOUNCEMENT OF THE RESULTS FOR THE YEAR ENDED 30 JUNE 2012

The board of directors (the “**Board**”) of APAC Resources Limited (the “**Company**” or “**APAC**”) announces the audited consolidated final results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2012. The results of the comparative period covered an eighteen month period ended 30 June 2011.

RESULTS HIGHLIGHTS

APAC’s results in this period have been driven by a very challenging operating environment as the global macro environment has weakened further since the interim report, and volatility has increased. The world has intensified its focus on a number of bearish factors, namely the sovereign debt issues in Europe and slowing growth in China.

For the year ended 30 June 2012

(compared to the eighteen months ended 30 June 2011)

- Attributable profits from Primary Strategic Investment at HK\$240 million (2011: HK\$866 million)
- Resource Investment posted a loss of HK\$296 million (2011: Profit of HK\$150 million)
- Commodity Business reported revenue of HK\$1,050 million (2011: HK\$1,147 million), with a profit of HK\$6 million (2011: HK\$138 million)
- Loss attributable to owners at HK\$528 million (2011: Profit of HK\$1,462 million), with loss per share of HK7.70 cents (2011: Earnings per share of HK21.89 cents)

OTHER HIGHLIGHTS

- Mount Gibson, one of APAC’s Primary Strategic Investments, announced/paid a total dividend at A\$0.04 per share for the 2012 year (2011: A\$0.04 per share)
- APAC disposed of its entire interest in AIM listed Kalahari through on market sales and the acceptance of the cash offer by CGNPC. Total proceeds of GBP88.3 million (HK\$1,073 million) were received by 16 February 2012
- APAC acquired a 19.99% interest in the ASX listed gold exploration company, ABM Resources in February 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The current set of financial statements have been prepared for the 12 months ended 30 June 2012 (“**FY 2012**”) while that of the prior period covered an 18-month period to 30 June 2011 (“**2010/2011 Period**”). Therefore, the figures will not be directly comparable with the previous 18 months. For reference, there is a brief comparison of the 2010/2011 Period followed by a more in-depth comparison of the results for the 12 months ended 30 June 2011 (“**FY 2011**”).

FY 2012 vs 2010/2011 period

Against a continued difficult economic environment, APAC reported a net loss attributable to owners of HK\$527,519,000 for the FY 2012 (2010/2011 Period: Net profit of HK\$1,462,069,000). Our Primary Strategic Investments reported an overall profit of HK\$240,020,000 (2010/2011 Period: HK\$866,247,000) and our Resource Investment portfolio reported a loss of HK\$296,401,000 (2010/2011 Period: Profit of HK\$150,399,000). Our Commodity Business achieved a profit of HK\$5,571,000 (2010/2011 Period: HK\$138,011,000).

FY 2012 vs FY 2011

Primary Strategic Investment

Our two Primary Strategic Investments are Mount Gibson Iron Limited (“**Mount Gibson**”) and Metals X Limited (“**Metals X**”), both located in Australia. The net attributable profits from our Primary Strategic Investments for the FY 2012 were HK\$240,020,000 (FY 2011: HK\$693,840,000), representing a 65% drop.

Mount Gibson

Mount Gibson is an Australian listed iron ore mining company. Production capacity is now 10 million tonnes per year, up from 7 million tonnes per year in FY 2011, with sales from the Extension Hill mine starting in the December 2011 quarter. Mount Gibson has three projects in total (Koolan Island, Tallering Peak and Extension Hill) located in Western Australia and all three are Direct Ship Operations, which have a large cost advantage over mines that need to concentrate ore prior to selling.

Mount Gibson reported record production in the fourth quarter of 2012, and Extension Hill is expected to ramp-up to full capacity in the financial year of 2013 (“**FY 2013**”) as the port upgrade at Geraldton is now complete. Sales were impacted by availability of rail facilities during the port upgrade, which should be resolved in the current half. Production of 6.9 million tonnes was up 28% year-on-year, and sales of 5.2 million tonnes were flat as a result of the capacity constraints mentioned before. Audited net profit after tax, however, decreased from A\$239.5 million to A\$172.5 million as a result of weaker realised iron ore price. Mount Gibson is well positioned for the current financial year with roughly A

\$292.7 million in cash on hand, no major capital expenditure and significant stockpiles ready to export. In FY 2012, Mount Gibson announced/paid a total dividend of A\$0.04/share, equivalent to a 5% yield, based on the closing share price of A\$0.86 on 29 June 2012.

Mount Gibson has made significant changes to management and, in May 2012, formally appointed Jim Beyer as Chief Executive Officer. Mount Gibson also announced that Peter Kerr will join as the new Chief Financial Officer and Andrew Thomson will join as the new Chief Operating Officer in September 2012. Peter Kerr will join Mount Gibson from his role as Chief Financial Officer at Bannerman Resources and Andrew Thomson will join Mount Gibson from his role as Managing Director of Cape Preston Port Company. In addition, Foreign Investment Review Board decreed in July 2012 that it is satisfied that the structure of Mount Gibson's board met its independence requirement and is consistent with ASX Corporate Governance Principles.

Headline iron ore prices have struggled in the recent past. However, this must be viewed in the context of the resources complex, as a whole, coming under pressure from the negative sentiment surrounding global economic growth. Additionally, recent weakness has been largely driven by iron ore de-stocking by steelmills. It is worth noting that Chinese steel production hit a new monthly record of 61.7 million tonnes in July, up 4% year-on-year. So even if steel production slows in the near term, it comes off a high base and the July data indicates that the annual steel production run rate is still above the magical 700 million tonnes figure.

Metals X

Metals X is an Australian-based emerging diversified resource group with a primary focus on tin via its 50% interest in the producing Renison mine in Tasmania and nickel via its world scale Wingellina nickel development. Metals X also has indirect exposure to copper, gold, nickel, zinc and bauxite through its portfolio of strategic investments, namely Independence Group NL, Westgold Resources Limited (“**Westgold**”), Mongolian Resource Corporation, and Aziana Limited.

During FY 2012, Renison produced 5,000 tonnes of tin in concentrate (all 100% basis), down 7.4% from FY 2011 due to delayed access to the northern parts of the mine, which contain higher grade material. By the end of the period, Metals X had established a second mining area in the north at Renison, which should drive improved mine productivity, grades and costs from FY 2013. Mine EBITDA decreased to A\$31 million and was impacted by a 19% fall in tin price over the reporting period, coupled with lower production as discussed.

Progress continued at Wingellina, where Metals X is advancing environmental approvals and is working towards submission of the Public Environmental Review in the December quarter of 2012. Other items of note include Metals X intention to merge with Westgold by offering 1.1 Metals X shares for each Westgold share, and the acquisition of a 4.9% stake in Reed Resources. Metals X remains in strong financial shape with A\$43 million cash, A\$50 million of tradable securities and minimal debt.

Tin prices have fallen from roughly US\$25,000 per tonne at the start of the year, and ended the period around US\$19,000 per tonne. Metals X received an average realised tin price of A\$21,561 per tonne in FY 2012. Tin prices have been impacted by the general global economic weakness, but we believe it will remain supported by the tight market fundamentals. Demand continues to improve, while limited additional global production capacity is forecast in the near term, with some Chinese and Indonesian operations struggling to generate cash at current prices. Industry expert ITRI and JP Morgan both predict a supply deficit of at least 10,000 tonnes in calendar year 2012.

Resource Investment

Resource Investment posted a loss in FY 2012 of HK\$296,401,000 (FY 2011: Profit of HK \$256,733,000). The investments in this division comprise mostly minor holdings in various emerging natural resource companies listed on major global stock exchanges. Many of our positions are in exploration or development stage companies, and this section of the market has been particularly negatively impacted by increased risk aversion, particularly in the June quarter of 2012. Investors are still focused on the sovereign debt crisis in the Eurozone region and concerns over Chinese growth. During the period, a number of indices have performed poorly, including the ASX 200 down 9%, the Euro Stoxx 50 decreasing 24% and the Hang Seng Index dropping 13%. The commodities sector was particularly weak, as evidenced by the HSBC Global Mining Index which was down 32%, with smaller companies reporting much larger share price falls. The loss is an unfortunate, however we remain confident that the weakness is related to overall negative sentiment, and while this has impacted share prices, it does not impact the quality of the underlying asset investments.

Partially offsetting the loss made in FY 2012 is the profit made from the sale of Kalahari Minerals plc (“**Kalahari**”) to CGNPC who made a general offer in December 2011 and APAC received proceeds of circa HK\$1,073 million from its stake in Kalahari and realised a substantial profit of HK\$268 million on the investment overall.

In February 2012, we acquired a 19.99% interest in ABM Resources NL (“**ABM**”), which currently represents around one third of the Resource Investment portfolio.

ABM

ABM is a gold exploration company listed on the Australian Stock Exchange (“**ASX**”) with assets located in Northern Territory. It has a large acreage footprint in the Tanami-Arunta region, but is currently focused on the Old Pirate and Buccaneer projects, both of which sit inside the Twin Bonanza Gold Camp.

ABM is aggressively drilling at Old Pirate, which is a high grade project with gold distributed through a series of outcropping quartz veins. A maiden resource of 565,000 ounces of gold at 10.5g/t was announced in the June quarter of 2012 and an initial scoping study by Entech Mining Consultants concluded with a positive cash flow of A\$257 million over two years of operation. ABM continues to drill regional prospects to expand the resource and continues to find new high grade veins located near Old Pirate. The most recent longitudinal trenching results are from the East Side Vein, which runs 185m at 31.0g/t, and the Golden Hind prospect, where a high grade section delivered 60m strike at 103.2g/t.

The Buccaneer porphyry gold discovery is located adjacent to Old Pirate and now contains 2.67 million ounces of gold resource at 0.65g/t after a 60% upgrade to in April 2012. There is also potential for high grade zones within the Buccaneer project, as evidenced in the recent drilling of the Caribbean and Cypress zones.

There are an additional 30 targets identified by ABM in the Twin Bonanza region. In the Tanami area, there is the Hyperion Gold project (resource announced in April 2012 of 202,200 ounces of gold at 2.11g/t), located 18km from the Groundrush gold development owned by Tanami Gold.

Gold prices have been volatile in the last 12 months, with gold prices reaching record high prices of US\$1,921/oz in the third quarter of 2011, before retracing over the last nine months. Gold prices still ended the year at US\$1,597/oz and the average gold price for the year was US\$1,673/oz. In the near-term, the recently announced quantitative easing (QE3), the European sovereign debt issues, and general wealth preservation demand are expected to support gold prices, with the majority of market forecasts calling for new highs in the gold price.

Commodity Business

For the period, Commodity Business profit fell to HK\$5,571,000 (FY 2011: HK\$62,174,000), driven by weaker demand for iron ore shipments from our customers and margins being squeezed by competitors discounting cargos to retain market share into China. This is clearly disappointing and the business environment remains difficult.

The Commodity Business is dominated by two offtake agreements with Mount Gibson and the shipments are sold on the spot market to steelmills and traders in China. Our purchase agreements are based on the Platts IODEX 62% CFR China index, which has suffered from falling prices, particularly in October 2011 where prices fell from US\$171 per tonne to US\$118 per tonne and again in late April and early May 2012, when prices fell from US\$151 per tonne to US\$132 per tonne. Given the lag effect of paying for cargoes based on the preceding one month average and selling on the spot market, we are susceptible to losses in a falling iron ore price environment.

The weak iron ore price has also caused Chinese steelmills to defer spot purchases, which has resulted in a need to warehouse one iron ore shipment, where the product specifications were significantly different to what we normally sell and, hence, more difficult to sell.

Since the end of the reporting period, we have seen iron ore prices fall even further. This fall captures the seasonal weakness from Chinese de-stocking that typically lasts until October. In the near term we are comfortable that iron ore prices are recovering from recent lows, driven by firstly the end of inventory de-stocking and secondly a supply side response as the spot iron ore price is now below cost support for many of the Chinese iron ore producers. Furthermore, in absence of a major collapse in iron ore demand, the commodity business is more heavily impacted by the speed and magnitude of a fall in iron ore prices than the absolute level of iron ore prices. Given the recent sharp correction in prices, we feel comfortable that a slowdown in steel production growth is being priced in, and expect a base to be forming in iron ore prices.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2012, our non-current assets amounted to HK\$3,761,071,000 (As at 30 June 2011: HK\$3,889,336,000) and net current assets amounted to HK\$990,292,000 (As at 30 June 2011: HK\$1,509,264,000) with a current ratio of 9.4 times (As at 30 June 2011: 3.1 times) calculated on the basis of its current assets over current liabilities.

As at 30 June 2012, we had no borrowings (As at 30 June 2011: HK\$689,530,000) and had undrawn banking and loan facilities amounting to HK\$578,115,000 secured against certain of our interests in listed associates and available-for-sale investments, term deposits and corporate guarantee of the Company. Subsequent to 30 June 2012, we had obtained additional banking facilities in the form of a revolving loan of HK\$242,500,000 secured against certain term deposits of the Group. As at 30 June 2012, as we had no borrowings, our gearing ratio was zero (As at 30 June 2011: 0.13), calculated on the basis of total borrowings over equity attributable to owners of the Company.

Foreign Exchange Exposure

For the year under review, the Group's assets were mainly denominated in Australian Dollars while the liabilities were mainly denominated in Hong Kong Dollars. As a substantial portion of the assets is held as long-term investments, there would be no material immediate effect on the cash flows of the Group from adverse movements in foreign exchange. In light of this, the Group did not actively hedge for the risk arising from the Australian Dollars denominated assets.

Pledge of Assets

As at 30 June 2012, certain of the Group's interests in listed associates and available-for-sale investments of HK\$2,492,254,000 (As at 30 June 2011: HK\$2,744,285,000) were pledged to a stock-broking firm to secure against securities margin loan facilities made available to the Group. The Group's bank deposits of HK\$79,748,000 (As at 30 June 2011: HK\$339,158,000) were pledged to banks to secure various trade and banking facilities granted to the Group.

Employees and Remuneration Policy

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance with its remuneration policies reviewed on a regular basis. All employees are entitled to participate in the Company's benefit plans including medical insurance, share options scheme and Mandatory Provident Fund Scheme (subject to the applicable laws and regulations of the PRC for its employees in the PRC).

As at 30 June 2012, the Group, including its subsidiaries but excluding associates, had 22 (As at 30 June 2011: 21) employees. Total remuneration together with pension contributions incurred for the year ended 30 June 2012 amounted to HK\$16,605,000 (FY 2011: HK\$25,478,000).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Associated Companies, and Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, during the year ended 30 June 2012, the Group had not held any other significant investments nor made any material acquisitions or disposals of subsidiaries or associated companies. Save as disclosed in this announcement, as at 30 June 2012, the Group does not have plan for any other material investments or acquisition of material capital assets.

Capital Commitments

As at 30 June 2012 and 30 June 2011, the Group had no material capital commitments contracted but not provided for.

Contingent Liabilities

As at the date of this announcement and as at 30 June 2012, the Board is not aware of any material contingent liabilities.

Subsequent Event

Share options granted to certain directors, employees and consultant of the Company which remained outstanding as at 30 June 2012 were cancelled on 11 July 2012, following approval by the Board and agreement from all option holders to cancel. Further details of the cancellation are set out in the announcement of the Company dated 11 July 2012.

Company Strategy

APAC leverages in-house resource expertise to drive growth in the business. This expertise is used to develop and manage both the Primary Strategic Investments and a portfolio of global resource investments that is geared towards the earlier stages of a project life cycle — exploration and development. In the medium to long term, APAC generates value by selecting and holding investments that have the potential for higher asset valuations though exposure to improving commodity environments, or individual assets maturing. Value is then realised through selling the investments at a profit, or by taking direct ownership of the projects which generates direct cash flow for APAC. The Primary Strategic Investments also support the Commodity Business by providing a channel to secure

off-take agreements, generating direct cash flow for APAC. The long-term plan is to progress select Resource Investments to Primary Strategic Investments, which then support our Commodity Business, and creates an opportunity for direct ownership in individual resource projects.

Forward Looking Observations

The global macro environment has remained weak over the past 12 months, with the global focus switching between a number of bearish factors, namely the sovereign debt issues in Europe, concerns over a recovery in the US (although this has taken a backseat of late) and a slow-down in the Chinese economy. Nonetheless, we feel that global markets have priced in the majority of the issues, particularly the Eurozone problems, where concerns about Greece and Spain have repeatedly pushed markets lower.

Going forward, we look to the US where the recently announced QE3 underlines the government's commitment to support the economy. In China, the leadership changeover in November 2012 is expected to result in some form of additional economic stimulus. This is intended to drive the Chinese economy to a mild recovery from first half 2013, which should at the very least be moderately positive for commodities.

In the face of the macro concerns, equity prices have sold down heavily over the reporting period, particularly from May 2012. Valuations are attractive at current levels, and set the Resource Investment division up for a strong medium term outlook. We have been selectively re-investing the Kalahari proceeds, but remain liquid enough to take advantage of the asset valuations that are now attractive.

Our Primary Strategic Investments, Mount Gibson and Metals X, both have strong cash balances, and both are forecast to deliver strong production growth in FY 2013. Mount Gibson will benefit from the full ramp-up at Geraldton Port, which will enable increased sales from the Extension Hill mine. Metals X has now reached the higher grade northern zone at Renison, which is expected to drive production growth and a reduction in unit cash costs. It has also signed a Memorandum of Understanding with Samsung C&T to complete a Detailed Feasibility Study for the development of the Wingellina Project, which is a step forward in moving the world scale project into production.

While the iron ore market has been weak, we believe the recent price corrections have captured the concerns over the Chinese steel sector and more broadly the Chinese economy. We do not expect to see another period of severe prices corrections given that spot prices are now very low and steelmills have actively de-stocked their inventory stockpiles.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2012

		1.7.2011 to 30.6.2012	1.1.2010 to 30.6.2011
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue from sales of goods	2	1,050,205	1,147,494
Cost of sales		<u>(1,046,751)</u>	<u>(1,005,459)</u>
		3,454	142,035
Other gains and losses	4	(685,322)	571,118
Other income		12,037	10,492
Administrative expenses			
— General administrative expenses		(46,257)	(54,572)
— Equity-settled share option expenses		(28,612)	(61,530)
Finance costs	5	(23,095)	(12,373)
Share of results of associates		<u>242,166</u>	<u>870,007</u>
(Loss) profit before taxation	6	(525,629)	1,465,177
Income tax expense	7	<u>(1,890)</u>	<u>(3,108)</u>
(Loss) profit for the year/period attributable to owners of the Company		<u><u>(527,519)</u></u>	<u><u>1,462,069</u></u>
(Loss) earnings per share (expressed in HK cents)			
— basic and diluted	9	<u><u>(7.70)</u></u>	<u><u>21.89</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	1.7.2011 to 30.6.2012 HK\$'000	1.1.2010 to 30.6.2011 HK\$'000
(Loss) profit for the year/period	<u>(527,519)</u>	<u>1,462,069</u>
Other comprehensive (expense) income, net of income tax		
Exchange difference arising from translation of associates	(146,231)	456,388
Exchange difference arising from translation of other foreign operations	4,487	15,115
Fair value change of available-for-sale investments	(21,731)	(48,858)
Impairment losses on available-for-sale investments	22,320	17,738
Reclassification adjustment upon disposal of partial interest in an associate	(311)	(24,675)
Share of investment revaluation reserve of associates	<u>10,363</u>	<u>(50,673)</u>
	<u>(131,103)</u>	<u>365,035</u>
Total comprehensive (expense) income for the year/period attributable to owners of the Company	<u><u>(658,622)</u></u>	<u><u>1,827,104</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	Notes	2012 HK\$'000	2011 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,589	1,370
Interests in associates	10	3,569,070	3,835,439
Available-for-sale investments		71,465	52,527
Financial assets at fair value through profit or loss		<u>118,947</u>	<u>—</u>
		<u>3,761,071</u>	<u>3,889,336</u>
Current assets			
Inventories		61,932	—
Trade and other receivables and loan receivable	11	183,237	54,641
Investments held for trading	12	410,611	1,440,946
Pledged bank deposits		79,748	339,158
Bank balances and cash		<u>372,642</u>	<u>384,090</u>
		<u>1,108,170</u>	<u>2,218,835</u>
Total assets		<u><u>4,869,241</u></u>	<u><u>6,108,171</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	681,305	686,329
Reserves		3,411,457	3,554,350
Accumulated profits		<u>658,601</u>	<u>1,157,921</u>
		<u>4,751,363</u>	<u>5,398,600</u>
Current liabilities			
Trade and other payables	14	115,572	6,773
Borrowings		—	689,530
Tax payable		<u>2,306</u>	<u>13,268</u>
		<u>117,878</u>	<u>709,571</u>
Total equity and liabilities		<u><u>4,869,241</u></u>	<u><u>6,108,171</u></u>
Net current assets		<u><u>990,292</u></u>	<u><u>1,509,264</u></u>
Total assets less current liabilities		<u><u>4,751,363</u></u>	<u><u>5,398,600</u></u>

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

In prior financial period, the reporting period end date of the Group was changed from 31 December to 30 June as a result of the decision of the directors of the Company to bring the annual reporting period end date of the Group in line with that of the Company's principal overseas listed associates which are the Group's substantial investments. Accordingly, the consolidated financial statements for the prior period cover eighteen months from 1 January 2010 to 30 June 2011. The corresponding comparative amounts shown for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover eighteen months from 1 January 2010 to 30 June 2011 and therefore may not be comparable with amounts shown for the current year which cover twelve months from 1 July 2011 to 30 June 2012.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
Amendments to HKFRS 7	Disclosures — Transfers of financial assets
HKAS 24 (as revised in 2009)	Related party disclosures
Amendments to HKAS 32	Classification of rights issues
Amendments to HK(IFRIC)-INT 14	Prepayments of a minimum funding requirement
HK(IFRIC)-INT 19	Extinguishing financial liabilities with equity instruments

The application of the new and revised HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current year and prior periods and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvement to HKFRSs 2009-2011 cycle ¹
Amendments to HKFRS 7	Disclosures — Offsetting financial assets and financial liabilities ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ²
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance ¹
HKFRS 9	Financial instruments ²
HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interests in other entities ¹
HKFRS 13	Fair value measurement ¹
Amendments to HKAS 1	Presentation of items of other comprehensive income ⁴
Amendments to HKAS 12	Deferred tax: Recovery of underlying assets ³
HKAS 19 (Revised 2011)	Employee benefits ¹
HKAS 27 (Revised 2011)	Separate financial statements ¹
HKAS 28 (Revised 2011)	Investments in associates and joint ventures ¹
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ⁵
HK(IFRIC)-INT 20	Stripping costs in the production phase of a surface mine ¹

- ¹ Effective for annual periods beginning on or after 1 January 2013.
- ² Effective for annual periods beginning on or after 1 January 2015.
- ³ Effective for annual periods beginning on or after 1 January 2012.
- ⁴ Effective for annual periods beginning on or after 1 July 2012.
- ⁵ Effective for annual periods beginning on or after 1 January 2014.

2. REVENUE

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from trading of commodities	<u>1,050,205</u>	<u>1,147,494</u>

3. SEGMENTAL INFORMATION

Segment information is presented based on the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. The Group's reportable segments under HKFRS 8 are therefore as follows:

- (i) Commodity business (trading of commodities); and
- (ii) Resource investment (trading of and investment in listed and unlisted securities).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment results represent the profit (loss) by each segment without allocation of central administration costs, directors' salaries, share of results of associates, impairment losses on interests in associates, reversal of impairment loss on interest in an associate, loss on deemed disposal of partial interest in an associate, gain on disposal of partial interest in an associate and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Information regarding the Group's reportable segments is presented below.

Segment revenue and result

The following is an analysis of the Group's revenue and results by reportable segment.

For year ended 30 June 2012

	Commodity business <i>HK\$'000</i>	Resource investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>1,050,205</u>	<u>—</u>	<u>1,050,205</u>
Gross sales proceeds from resource investment	<u>—</u>	<u>1,342,203</u>	<u>1,342,203</u>
Segment profit (loss)	5,571	(296,401)	(290,830)
Share of results of associates			242,166
Impairment losses on interests in associates			(381,229)
Gain on disposal of partial interest in an associate			812
Unallocated corporate income			123
Unallocated corporate expenses			(73,576)
Finance costs			<u>(23,095)</u>
Loss before taxation			(525,629)
Income tax expense			<u>(1,890)</u>
Loss for the year			<u>(527,519)</u>

For period ended 30 June 2011

	Commodity business <i>HK\$'000</i>	Resource investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>1,147,494</u>	<u>—</u>	<u>1,147,494</u>
Gross sales proceeds from resource investment	<u>—</u>	<u>252,069</u>	<u>252,069</u>
Segment profit	138,011	150,399	288,410
Share of results of associates			870,007
Reversal of impairment loss on interest in an associate			304,024
Loss on deemed disposal of partial interest in an associate			(1,727)
Gain on disposal of partial interest in an associate			118,284
Unallocated corporate income			4,280
Unallocated corporate expenses			(105,728)
Finance costs			<u>(12,373)</u>
Profit before taxation			1,465,177
Income tax expense			<u>(3,108)</u>
Profit for the period			<u>1,462,069</u>

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the current year and prior period.

Other segment information

Other segment information included in the consolidated income statement for the year ended 30 June 2012 are as follows:

Amounts included in the measure of segment profit or loss or segment assets:

	Commodity business HK\$'000	Resource investment HK\$'000	Unallocated HK\$'000	Total HK\$'000
Interest income	10,009	553	37	10,599
Fair value change of investments held for trading	—	(272,334)	—	(272,334)
Fair value change of financial assets at fair value through profit or loss	—	(1,173)	—	(1,173)
Impairment losses on available-for-sale investments	—	(22,320)	—	(22,320)
Allowance for inventories	<u>(27,812)</u>	<u>—</u>	<u>—</u>	<u>(27,812)</u>

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

Interests in associates	—	—	3,569,070	3,569,070
Share of results of associates	—	—	242,166	242,166
Impairment losses on interests in associates	<u>—</u>	<u>—</u>	<u>(381,229)</u>	<u>(381,229)</u>

Other segment information included in the consolidated income statement for the period ended 30 June 2011 are as follows:

Amounts included in the measure of segment profit or loss or segment assets:

	Commodity business HK\$'000	Resource investment HK\$'000	Unallocated HK\$'000	Total HK\$'000
Interest income	4,995	1,196	1,446	7,637
Fair value change of investments held for trading	—	165,462	—	165,462
Impairment losses on available-for-sale investments	<u>—</u>	<u>(17,738)</u>	<u>—</u>	<u>(17,738)</u>

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

Interests in associates	—	—	3,835,439	3,835,439
Share of results of associates	—	—	870,007	870,007
Reversal of impairment loss on interest in an associate	<u>—</u>	<u>—</u>	<u>304,024</u>	<u>304,024</u>

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable segment is set out below:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Commodity business	593,939	656,271
Resource investment	<u>651,198</u>	<u>1,553,930</u>
Total segment assets	1,245,137	2,210,201
Interests in associates	3,569,070	3,835,439
Unallocated	<u>55,034</u>	<u>62,531</u>
Consolidated assets	<u>4,869,241</u>	<u>6,108,171</u>
Commodity business	113,397	246,873
Resource investment	<u>88</u>	<u>447,275</u>
Total segment liabilities	113,485	694,148
Unallocated	<u>4,393</u>	<u>15,423</u>
Consolidated liabilities	<u>117,878</u>	<u>709,571</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than interests in associates, property, plant and equipment, other receivables and certain bank balances and cash.
- all liabilities are allocated to reportable segments other than certain other payables and tax payable.
- borrowings are allocated while the finance costs are not allocated to respective reportable segments.

Geographical information

The Group's revenue from external customers and information about non-current assets (excluding financial instruments) by geographical location of the customers and assets (where the property, plant and equipment located and where the associates incorporated/listed) respectively are detailed below.

	Revenue from external customers		Non-current assets	
	1.7.2011 to 30.6.2012 HK\$'000	1.1.2010 to 30.6.2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Hong Kong	389,885	279,301	1,449	1,048
The People's Republic of China (the "PRC")	660,320	810,352	33,687	31,251
Australia	—	—	3,535,523	3,804,510
Singapore	—	57,841	—	—
	<u>1,050,205</u>	<u>1,147,494</u>	<u>3,570,659</u>	<u>3,836,809</u>

Information about major customers

Revenue from customers of the corresponding year/period contributing over 10% of the total sales of the Group are under segment of commodity business and as follows:

	1.7.2011 to 30.6.2012 HK\$'000	1.1.2010 to 30.6.2011 HK\$'000
Customer A	441,128	414,038
Customer B	317,187	N/A ¹
Customer C	163,715	227,113
Customer D	<u>N/A¹</u>	<u>152,326</u>

¹ The transactions with the customer did not contribute over 10% of the total sales of the Group during the current year or prior period.

4. OTHER GAINS AND LOSSES

	1.7.2011 to 30.6.2012 HK\$'000	1.1.2010 to 30.6.2011 HK\$'000
Fair value change of investments held for trading (<i>Note</i>)	(272,334)	165,462
Fair value change of financial assets at fair value through profit or loss	(1,173)	—
Impairment losses on available-for-sale investments	(22,320)	(17,738)
Impairment losses on interests in associates	(381,229)	—
Impairment loss on loan receivable	(7,294)	—
Loss on deemed disposal of partial interest in an associate	—	(1,727)
Gain on disposal of partial interest in an associate	812	118,284
Reversal of impairment loss on interest in an associate	—	304,024
Net foreign exchange (loss) gain	<u>(1,784)</u>	<u>2,813</u>
	<u>(685,322)</u>	<u>571,118</u>

Note: Net realised loss of approximately HK\$43,174,000 (period ended 30 June 2011: Net realised gain of HK\$41,826,000) on disposal of investments held for trading are included in change in fair value of investments held for trading.

5. FINANCE COSTS

	1.7.2011 to 30.6.2012 HK\$'000	1.1.2010 to 30.6.2011 HK\$'000
Interest on borrowings wholly repayable within five years:		
Bank borrowings	10,089	2,317
Securities margin financing	<u>13,006</u>	<u>10,056</u>
	<u>23,095</u>	<u>12,373</u>

6. (LOSS) PROFIT BEFORE TAXATION

1.7.2011 to	1.1.2010 to
30.6.2012	30.6.2011
HK\$'000	HK\$'000

(Loss) profit before taxation has been arrived at after charging:

Staff costs, including directors' emoluments

— salaries and allowances	16,813	21,506
— equity-settled share option expenses (included in administrative expenses)	28,612	61,530
— staff quarters	822	1,678
— retirement benefits schemes contributions	251	316

Total staff costs	46,498	85,030
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Auditor's remuneration	750	723
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Cost of goods recognised as an expense included allowance for inventories of HK\$27,812,000 (period ended 30 June 2011: nil)	944,851	849,974
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Depreciation of property, plant and equipment	687	1,003
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7. INCOME TAX EXPENSE

1.7.2011 to	1.1.2010 to
30.6.2012	30.6.2011
HK\$'000	HK\$'000

Current tax

Hong Kong Profits Tax	144	18,346
PRC Enterprise Income Tax	2,490	426

2,634	18,772
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Overprovision in prior periods	(744)	(15,664)
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Total income tax expense	1,890	3,108
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Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for current year and prior period.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for current year and prior period.

The tax charge for the year/period can be reconciled to the (loss) profit before taxation per the consolidated income statement as follows:

	1.7.2011 to 30.6.2012 HK\$'000	1.1.2010 to 30.6.2011 HK\$'000
(Loss) profit before taxation	<u>(525,629)</u>	<u>1,465,177</u>
Tax at Hong Kong profits tax rate of 16.5%	(86,729)	241,754
Tax effect of expenses not deductible for tax purpose	123,043	14,170
Tax effect of income not taxable for tax purpose	(2,106)	(99,108)
Tax effect of tax losses not recognised	7,276	4,850
Tax effect of share of results of associates	(39,957)	(143,551)
Overprovision in prior periods	(744)	(15,664)
Effect of different tax rate of subsidiaries and associates operating in other jurisdictions	<u>1,107</u>	<u>657</u>
Tax charge for the year/period in respect of Hong Kong and the PRC	<u>1,890</u>	<u>3,108</u>

At 30 June 2012, the Group had unused tax losses of approximately HK\$80,030,000 (2011: HK\$35,928,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

8. DIVIDENDS

No dividend was paid or proposed during the year ended 30 June 2012, nor has any dividend been proposed since the end of the reporting period (period ended 30 June 2011: nil).

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

(Loss) earnings per share

The calculation of basic and diluted (loss) earnings per share is based on the loss for the year ended 30 June 2012 attributable to owners of the Company of HK\$527,519,000 (period ended 30 June 2011: profit of HK\$1,462,069,000) and weighted average number of 6,849,283,278 (period ended 30 June 2011: 6,679,962,107) ordinary shares in issue during the year/period.

Number of shares

	1.7.2011 to 30.6.2012	1.1.2010 to 30.6.2011
Weighted average number of ordinary shares used in the calculation of basic and diluted (loss) earnings per share	<u>6,849,283,278</u>	<u>6,679,962,107</u>

For the year ended 30 June 2012, the calculation of the diluted loss per share did not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

For the period ended 30 June 2011, the calculation of the diluted earnings per share did not assume the exercise of the Company's outstanding share options as their exercise prices were higher than the average market price of the Company's shares for the period.

10. INTERESTS IN ASSOCIATES

	2012 HK\$'000	2011 HK\$'000
Cost of investments in associates		
Listed in Australia	2,223,339	2,082,850
Unlisted	22,716	22,716
Share of post-acquisition profits and other comprehensive income, net of dividends received	1,704,244	1,729,873
Impairment losses recognised	(381,229)	—
	<u>3,569,070</u>	<u>3,835,439</u>
Fair value of listed investments	<u>2,439,826</u>	<u>5,102,095</u>

Details of the Group's associates at 30 June 2012 and 30 June 2011 are as follows:

Name of entity	Place of incorporation and operation	Class of shares held	Proportion of ownership interest and voting power held		Principal activities
			2012	2011	
平港（上海）貿易有限公司	PRC	N/A	40%	40%	Wholesales, import and export, agency service and relevant service for coal, coke, material for metallurgy, mineral products, chemical engineering products, mechanical and electrical equipment and spare parts, steel and steel products, construction material and related products and technology.
Mount Gibson Iron Limited ("MGX")	Australia	Ordinary	26.74%	25.46%	Mining of hematite deposits at Talling Peak and Koolan Island; development of hematite mining operations at Extension Hill; and exploration of hematite deposits in Western Australia.
Metals X Limited ("MLX")	Australia	Ordinary	30.20%	29.08%	Exploration for and the mining, treatment and marketing of tin concentrate and nickel in Australia; exploration for phosphate in Australia; the development and construction of tin mine projects and exploration for precious and base metals through significant shareholding in other companies.

At 30 June 2012, the carrying amounts of the Group's interests in listed associates were higher than their respective market values computed based on the closing prices as at 30 June 2012. The management of the Group carried out impairment review on the carrying amounts of its interests in listed associates individually as a single asset by comparing their recoverable amounts (higher of value in use and fair value less costs to sell) with their respective carrying amounts. In determining the value in use of the investments, the Group estimated the present value of the estimated future cash flows expected to arise from the operations of the investments and from the ultimate disposal, by

using discount rates ranging from 11% to 12.5% to discount the cash flow projections to net present values. Based on the assessments, the recoverable amounts of the Group's interests in listed associates are less than their carrying amounts. Hence, impairment losses of HK\$307,926,000 and HK\$73,303,000 are recognised in profit or loss for MGX and MLX respectively.

11. TRADE AND OTHER RECEIVABLES AND LOAN RECEIVABLE

	2012 HK\$'000	2011 HK\$'000
Trade receivables	130,502	1,828
Loan receivable	35,002	42,296
Other deposits and prepayment	<u>17,733</u>	<u>10,517</u>
	<u>183,237</u>	<u>54,641</u>

The Group allows an average credit period of 90 days to its trade customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	2012 HK\$'000	2011 HK\$'000
0 to 90 days	125,649	1,828
Over 90 days	—	—
Over 180 days	<u>4,853</u>	<u>—</u>
	<u>130,502</u>	<u>1,828</u>

12. INVESTMENTS HELD FOR TRADING

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Listed securities:		
— Equity securities listed in Hong Kong	871	—
— Equity securities listed in United Kingdom	19,269	1,082,368
— Equity securities listed in United States of America	2,882	4,967
— Equity securities listed in Australia	321,504	260,167
— Equity securities listed in Canada	<u>66,085</u>	<u>93,444</u>
	<u>410,611</u>	<u>1,440,946</u>

As at the end of the reporting period, particulars of the Group's investments included in investments held for trading which exceed 10% of the assets of the Group disclosed pursuant to Section 129(2) of the Hong Kong Companies Ordinance were as follows:

Name of company	Place of incorporation	Class of shares	Number of shares held by the Group	Percentage of issued share capital held by the Group
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As at 30 June 2012

ABM Resources NL ("ABM")	Australia	Ordinary	647,911,009	19.99%
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ABM is not regarded as an associate of the Group because the Group has less than one-fifth of the voting power of ABM and has the intention to hold for trading. The Group has no right to appoint directors of ABM as at the acquisition date and the end of the reporting period. Subsequent to the end of the reporting period, ABM has invited and appointed Mr. Andrew Ferguson (Chief Executive Officer and Executive Director of the Group) to the board of directors of ABM as a non-executive director.

Name of company	Place of incorporation	Class of shares	Number of shares held by the Group	Percentage of issued share capital held by the Group
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As at 30 June 2011

Kalahari Minerals plc ("Kalahari")	United Kingdom	Ordinary	36,296,059	14.79%
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On 10 January 2012, APAC Resources Capital Limited ("APAC Resources Capital"), a wholly owned subsidiary of the Company had fully accepted the conditional cash offer for the entire issued share capital of Kalahari by China Guangdong Nuclear Power Holding Corporation ("CGNPC") through CGNPC Uranium Resources Co., Limited (the "Offer"), an independent third party, in respect of all the shares in Kalahari owned by APAC Resources Capital. The Offer was subsequently declared unconditional and the consideration of GBP81,505,145 (equivalent to approximately HK\$990,288,000) was received by APAC Resources Capital on 16 February 2012.

13. SHARE CAPITAL

Authorised and issued share capital

	2012		2011	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.10 each				
Authorised	<u>20,000,000,000</u>	<u>2,000,000</u>	<u>20,000,000,000</u>	<u>2,000,000</u>
Issued and fully paid:				
At beginning of the year/period	6,863,287,990	686,329	5,690,343,455	569,034
Issue of shares upon placement	—	—	1,100,000,000	110,000
Issue of shares upon exercise of warrants	—	—	131,784,535	13,179
Shares repurchased and cancelled	<u>(50,240,000)</u>	<u>(5,024)</u>	<u>(58,840,000)</u>	<u>(5,884)</u>
At end of the reporting period	<u>6,813,047,990</u>	<u>681,305</u>	<u>6,863,287,990</u>	<u>686,329</u>

14. TRADE AND OTHER PAYABLES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade payables	112,485	4,144
Other payables	<u>3,087</u>	<u>2,629</u>
	<u>115,572</u>	<u>6,773</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of reporting period:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 to 90 days	<u>112,485</u>	<u>4,144</u>

DIVIDEND

Given the uncertain times that APAC is faced with, the Board does not recommend the payment of a dividend for the year ended 30 June 2012 (2011: nil). The balance between delivering shorter-term returns to shareholders through dividends versus longer-term investments with the intention to generate higher returns to shareholders is a difficult decision. However, the attractive asset valuations provide ample opportunity for return-generating investments, and as such, the Board has decided to preserve APAC's flexibility for investments with the intention to deliver superior medium to long term returns to shareholders. The Board will reassess a potential interim dividend payment for financial year 2013 based on the Company's expectations that the business environment will stabilise.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 30 June 2012, the Company purchased 48,360,000 shares of HK\$0.10 each in the capital of the Company at prices ranging from HK\$0.265 to HK\$0.365 per share on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Particulars of the purchase of shares are as follows:

Month	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate consideration paid (excluding expenses) HK\$
November 2011	11,240,000	0.330	0.295	3,465,684
March 2012	12,860,000	0.365	0.340	4,559,300
April 2012	21,180,000	0.350	0.340	7,392,500
May 2012	1,960,000	0.300	0.265	546,700
June 2012	<u>1,120,000</u>	0.290	0.285	<u>321,700</u>
Total	<u>48,360,000</u>			<u>16,285,884</u>

During the year ended 30 June 2012, 50,240,000 repurchased shares were cancelled and accordingly, the Company's issued share capital was diminished by the nominal value thereof. The premium payable on repurchases was charged against the Company's share premium account.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2012.

CORPORATE GOVERNANCE

Corporate Governance Practices

The Code on Corporate Governance Practices (the “**CG Code**”) as contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) sets out the principles of good corporate governance. The CG Code was revised and renamed Corporate Governance Code (the “**Revised CG Code**”) with effect from 1 April 2012. The Company applied the principles of the CG Code and the Revised CG Code.

During the year ended 30 June 2012, the Company has fully complied with the code provisions of the CG Code and the Revised CG Code, other than the deviations in respect of the appointment of Non-Executive Directors for a specific term during the period between 1 July 2011 and 31 May 2012 in accordance with Code Provision A.4.1 of the CG Code and the Revised CG Code; the entering into of formal letters of appointment with the directors of the Company (the “**Directors**”) (other than Mr. Andrew Ferguson) during the period between 1 April 2012 and 31 May 2012 in accordance with Code Provision D.1.4 of the Revised CG Code; and the attendance of the Chairman of the Board at the annual general meeting of the Company held on 28 September 2011 (the “**2011 AGM**”) in accordance with Code Provision E.1.2 of the CG Code.

The reasons for the above deviations are detailed in the sections headed Non-Executive Directors and Letters of Appointment and Investor Relations below. Since 1 June 2012, these deviations have all been addressed and the Company has since been in full compliance with the Revised CG Code.

Non-Executive Directors and Letters of Appointment

During the period between 1 July 2011 and 31 May 2012, all Non-Executive Directors and Independent Non-Executive Directors were not appointed for a specific term since they are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure the Company’s corporate governance practices are no less exacting than those in CG Code and the Revised CG Code.

During the period between 1 April 2012 and 31 May 2012, other than the service contract made between the Company and Mr. Andrew Ferguson, the Company did not have formal letters of appointment for other Directors since the appointments of other Directors are not for a specific term.

In compliance with the Revised CG Code, at the meeting of the Board held on 21 May 2012, the Board resolved to appoint Ms. Chong Sok Un, Mr. Kong Muk Yin, Mr. Yue Jialin and all Non-Executive Directors and Independent Non-Executive Directors for a term of three years commencing from 1 June 2012. The said Directors entered into letters of appointment with the Company.

Investor Relations

Mr. Andrew Ferguson, an Executive Director and the Chief Executive Officer of the Company, chaired the 2011 AGM as the Chairman of the Board and remuneration committee could not attend due to unavoidable prior engagements. Other members of the remuneration committee, namely Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks attended the 2011 AGM and were available to answer questions thereat.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code for securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors had complied with the required standards set out in the Model Code during the year ended 30 June 2012.

REVIEW OF RESULTS BY AUDIT COMMITTEE

The Group’s final results for the year ended 30 June 2012 have been reviewed by the audit committee of the Company.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

The following is an extract from the Independent Auditor’s Report:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2012, and of the Group’s loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the FY 2012 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the FY 2012. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

By Order of the Board
APAC RESOURCES LIMITED
Chong Sok Un
Chairman

Hong Kong, 20 September 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*