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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 interim results of the Group for the Period are expected to record a substantial decline in profits as compared with that for the six months ended 31 December 2010.

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 interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2011 (the “**Period**”) are expected to record a substantial decline in profits as compared with that for the six months ended 31 December 2010. The decline in profitability is mainly attributable to (i) the unrealized 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 decline in profitability of the Group are (i) the downgrading and weakening of the global natural resource sector resultant from the nervousness felt by the world’s financial markets on the prolonged sovereign debt issues in the Eurozone and the United States; and (ii) the significant downward adjustments in global iron ore prices since October 2011.

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 Period which has not been confirmed nor reviewed by the auditor of the Company. The Company is in the process of finalising the interim results of the Group for the Period. The interim results announcement of the Company for the Period is expected to be released on 27 February 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, 20 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*