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APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

DISCLOSEABLE TRANSACTION

The Board announces that APAC Resources Capital Limited, a wholly-owned subsidiary of the Company, has acquired in aggregate 16,733,374 shares in Mount Gibson through on-market transactions conducted on the ASX for an aggregate consideration of approximately A\$4,183,344 (equivalent to approximately HK\$24,420,271) on 23 June 2016 since the Last Reported Acquisition Date.

As the applicable percentage ratio(s) for the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board announces that APAC Resources Capital Limited, a wholly-owned subsidiary of the Company, has acquired in aggregate 16,733,374 shares in Mount Gibson through on-market transactions conducted on the ASX for an aggregate consideration of approximately A\$4,183,344 (equivalent to approximately HK\$24,420,271) on 23 June 2016 and since 22 June 2016 (the “**Last Reported Acquisition Date**”), being the last date of acquisition of shares in Mount Gibson as disclosed in the Company’s announcement dated 23 June 2016. Such shares represent approximately 1.53% of the total issued share capital of Mount Gibson as at the date of this announcement. After the Acquisition, the Group holds in aggregate 323,780,748 shares in Mount Gibson, representing approximately 29.67% of the total issued share capital of Mount Gibson as at the date of this announcement.

As the Acquisition was conducted through the open market, the identity of the counterparty(ies) of the Acquisition cannot be ascertained by the Group. However, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Directors believe that the counterparty(ies) and its/their ultimate beneficial owner(s), is/are Independent Third Parties.

CONSIDERATION

The aggregate consideration for the Acquisition is A\$4,183,344 (equivalent to approximately HK\$24,420,271) and has been fully settled in cash. The consideration was determined by reference to the prevailing trading prices of the shares of Mount Gibson on the ASX at the time of the Acquisition.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is an established natural resource investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment; resource investment; and commodity trading business, focused primarily on metals and energy.

INFORMATION ON MOUNT GIBSON

Mount Gibson is a company limited by shares incorporated in Australia, the shares of which are listed on the ASX. Mount Gibson is an independent Australian producer of high quality direct shipping grade iron ore products, with assets in the Kimberley and Mid-West regions of Western Australia.

Based on the audited consolidated financial statements of Mount Gibson for the year ended 30 June 2015, the consolidated net (losses) profits from continuing operations before and after taxation for the two financial years ended 30 June 2014 and 2015 and the consolidated net assets of Mount Gibson as at 30 June 2014 and 2015 are as follows:

	For the year ended 30 June			
	2015		2014	
	A\$'000	HK\$'000	A\$'000	HK\$'000
Consolidated net (loss) profit from continuing operations before taxation	(989,415)	(5,899,090)	147,452	1,077,034
Consolidated net (loss) profit from continuing operations after taxation	(889,507)	(5,303,419)	90,172	658,643
	As at 30 June			
	2015		2014	
	A\$'000	HK\$'000	A\$'000	HK\$'000
Consolidated net assets	305,574	1,821,893	1,262,018	9,218,158

Note: The translation of A\$ into HK\$ is based on the exchange rate of 7.3043 and 5.9622 as at 30 June 2014 and 30 June 2015 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition represents a good opportunity for the Group to increase its shareholding in Mount Gibson with reference to the recent share price of Mount Gibson as the Directors believe that the market is undervaluing the combination of cash, iron ore production tail, optionality from a restart at the Koolan Island mine and management expertise of and the potential for a value-accretive acquisition by Mount Gibson.

The Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) for the Acquisition on 23 June 2016, is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

“A\$”	Australian dollar(s), the lawful currency of Australia
“Acquisition”	the acquisition of in aggregate 16,733,374 shares in Mount Gibson by APAC Resources Capital Limited through on-market transactions conducted on the ASX on 23 June 2016, representing approximately 1.53% of the total issued share capital of Mount Gibson as at the date of this announcement
“ASX”	the Australian Securities Exchange
“Board”	the board of Directors
“Company”	APAC Resources Limited (亞太資源有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mount Gibson”	Mount Gibson Iron Limited, a company limited by shares incorporated in Australia, the shares of which are listed on the ASX and is an associate of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

Unless otherwise stated, amount in A\$ have been translated into HK\$ at the exchange rate on the relevant date of the acquisition is of HK\$5.8375 to A\$1 for illustration purpose only. No representation has been made that any amount in A\$ or HK\$ can be or could have been converted at the relevant date at the above rate or any other rates at all.

By Order of the Board
APAC Resources Limited
Arthur George Dew
Chairman

Hong Kong, 27 June 2016

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*) and Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-executive Directors

Mr. Arthur George Dew (*Chairman*) (*Mr. Wong Tai Chun, Mark as his alternate*), Mr. Lee Seng Hui and Mr. So Kwok Hoo

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks

* *For identification purpose only*