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APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

VOLUNTARY ANNOUNCEMENT NEW INVESTMENT PORTFOLIOS

As an investment house focusing on the resources sector, APAC Resources Limited (the “**Company**”, together with its subsidiaries the “**Group**”) is committed to a policy that targets the generation of positive returns to the shareholders of the Company through the realisation of its investments as and when deemed appropriate and the reinvestment of such funds into other investments. Its investment business segments comprise of the Resource Investment segment which focuses on minor holdings and the Primary Strategic Investment segment which focuses on large strategic stakes.

The board of directors of the Company is pleased to announce the creation of two new investment portfolios focusing on the areas of (i) energy (oil and gas); and (ii) mining (base metals, precious metals, bulks, resources companies where the primary asset is cash etc.) respectively. The objective of the new investment portfolios is to produce a positive return on funds as well as to create a track record to attract potential third party investments. The new investment portfolios will complement existing investments in the Resource Investment segment, adhere to strict investment criteria, and will not invest in large strategic holdings.

The new investment portfolios are long-only and have an initial fund under management of HK\$200,000,000, with HK\$100,000,000 for each portfolio. These portfolios will initially focus on equities but with the ability to invest in convertible bonds, options, and commodities. The new investment portfolios will target companies with strong free cash flow yields, companies trading at a discount to cash, or high quality growth or yield names. Each of the new investment portfolios will have no more than fifty (50) positions and focus on medium term investments with six (6) to twenty-four (24) months’ target holding periods. The new investment portfolios will focus on, *inter alia*, companies that are in post-feasibility study stage or later, with parameters on market capitalization, liquidity and jurisdiction/country risk.

The new investments portfolios will form a new platform for the Group's future investment in the Resource Investment segment.

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

Hong Kong, 25 August 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*