



APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1104)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “Meeting”) of APAC Resources Limited (the “Company”) will be held at 7th Floor, Board Room, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on 15th August, 2007 at 10:30 a.m. for the purpose of considering and if thought fit, passing with or without amendments, the following ordinary resolutions of the Company to be taken by way of poll:

ORDINARY RESOLUTIONS

1. **“THAT** the grant of options to Mr. Cao Zhong and Ms. Chong Sok Un to subscribe for 100,000,000 and 110,000,000 ordinary shares (the “Shares”) of the Company (“Proposed Options”) respectively at an exercise price of HK\$1.50 per Share, pursuant to the share option scheme of the Company adopted on 22nd September, 2004, be and are hereby approved and subject to the passing of resolution No. 2 below, the directors of the Company (the “Directors”) be and are hereby authorised to issue and allot Shares to each of them pursuant to the exercise of such options and to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with such grant of options.”
2. **“THAT** subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Options Shares (as defined below) either unconditionally or subject to such condition as may be reasonably acceptable to the Company, the Directors be and are hereby authorised to allot and issue up to a maximum of not more than 100,000,000 and 110,000,000 shares (the “Options Shares”) of par value of HK\$0.10 each in the share capital of the Company, to Mr. Cao Zhong and Ms. Chong Sok Un respectively in accordance with the terms and conditions of the Proposed Options and the Directors be and are hereby authorised to do all such acts and things, to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the allotment and issue of the Options Shares.”

3. “**THAT** the refreshment of the total number of Shares that may be issued upon exercise of all the options (the “Share Options”) to subscribe for Shares and other options to be granted under the share option scheme (the “Share Option Scheme”) of the Company adopted on 22nd September, 2004 or any other schemes of the Company or its subsidiaries, as the case may be, (the “Scheme Mandate Limit”) be and is hereby approved and confirmed and the Scheme Mandate Limit as refreshed shall represent a maximum of 10% of the issue share capital of the Company as at the date of the passing of this resolution, Share Options and other options previously granted under the Share Option Scheme or any other schemes of the Company or its subsidiaries, as the case may be (including options outstanding, cancelled, exercised or lapsed in accordance with the terms of the Share Option Scheme or any other schemes of the Company or its subsidiaries, as the case may be) shall not be counted for the purposes of calculating the Scheme Mandate Limit.”

4. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meetings.”;

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

By Order of the Board of
APAC Resources Limited
Cao Zhong
Chairman

Hong Kong, 27th July, 2007

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal
place of business in Hong Kong:*
32/F., China Online Centre
333 Lockhart Road
Wanchai
Hong Kong

** For identification purpose only*

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf.
2. A form of proxy for use in connection with the Meeting is enclosed with this circular. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be returned to the Hong Kong Branch Share Registrar of the Company, Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting.

As at the date of this notice, the Directors are as follows:

Executive Directors:

Mr. Cao Zhong (*Chairman*)

Mr. Liu Yongshun (*Chief Executive Officer*)

Mr. Zhou Luyong (*Deputy Chief Executive Officer*)

Ms. Chong Sok Un

Mr. Lau Yau Cheung

Mr. Yue Jialin

Non-Executive Director:

Mr. Chen Zhaoqiang

Independent Non-Executive Directors:

Mr. Wong Wing Kuen, Albert

Mr. Tsui Robert Che Kwong

Mr. Chang Chu Fai, Johnson Francis

Mr. Alan Stephen Jones

Mr. Robert Moyse Willcocks

Mr. Yang Weiming (resigned on 27th July, 2007)