



APAC RESOURCES
APAC RESOURCES LIMITED
亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104) (Warrant Code: 324)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders 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 Friday, 6 June 2008 at 4 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements of the Company and the reports of the directors (“Directors”) and auditors for the year ended 31 December, 2007.
2. (a) To re-elect the following persons as the Directors:
 - i. Mr. Cao Zhong
 - ii. Mr. Liu Yongshun
 - iii. Mr. Zhou Luyong
 - iv. Ms. Chong Sok Un
 - v. Mr. Chen Zhaoqiang
 - vi. Mr. Wong Wing Kuen, Albert
 - vii. Mr. Chang Chu Fai, Johnson Francis
 - viii. Mr. Alan Stephen Jones
 - ix. Mr. Robert Moyse Willcocks
- (b) To authorize the board of Directors (“Board”) of the Company to fix the Directors’ remuneration.

3. To re-appoint Graham H.Y. Chan & Co. as auditors of the Company and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

ORDINARY RESOLUTIONS

The following resolutions 4 to 8 will be proposed to be considered and, if thought fit, passed as ordinary resolutions of the Company:

4. **“THAT:**

- (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (“New Shares”) and to make or grant offers, agreements and options, including warrants to subscribe for shares and other rights of subscription for or conversion into shares, which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval given in provisions of paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted and issued or agreed conditionally or unconditionally to be allotted, issued (whether pursuant to an option or otherwise) and dealt with by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of New Shares upon the exercise of rights of subscription or conversion under the terms of warrants of the Company or any securities which are convertible into shares; (iii) an issue of New Shares as scrip dividends or similar arrangement providing for the allotment of New Shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company from time to time; (iv) an issue of New Shares under any share option scheme or similar arrangement of the Company and/or any of its subsidiaries; or (v) a specific mandate granted by the shareholders of the Company in general meeting, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose 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 of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended from time to time) (“Companies Act”) or any applicable law to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.

‘Rights Issue’ means the allotment, issue or grant of New Shares pursuant to an offer of New Shares open for a period fixed by the Directors to holders of issued shares of the Company (“Shares”) whose names on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares and outstanding warrants (“Warrants”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) or listing rules of any other stock exchange as amended from time to time and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares hereby authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the issued share capital of the Company and the total number of Warrants hereby authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the Warrants, in each case as at the date of the passing of this resolution, and the said approval shall be limited accordingly;
- (c) for the purpose 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, the Companies Act or any applicable law to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

6. “**THAT**, conditional on the passing of resolutions 4 and 5 in the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise all the powers of the Company pursuant to paragraph (a) of resolution 4 above be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the authority granted pursuant to paragraph (a) of resolution 5 above, provided that such extended amount shall not exceed 10% of the issued share capital of the Company as at the date of the passing of this resolution.”
7. “**THAT**, conditional on the passing of resolutions 4 and 5 in the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise all the powers of the Company pursuant to paragraph (a) of resolution 4 above be and is hereby extended by the addition thereto an amount of the Warrants repurchased by the Company under the authority granted pursuant to paragraph (a) of resolution 5 above , provided that such extended amount shall not exceed 10% of the Warrants as at the date of the passing of this resolution.”
8. “**THAT**
 - (a) the renewal of the limit in respect of the granting of share options of the Company (the “Share Options”) under the share option scheme of the Company (the “Share Option Scheme”) adopted on 22 September 2004 or any other schemes of the Company or its subsidiaries, as the case may be, (the “Renewed Scheme Mandate Limit”) be and is hereby approved and confirmed and the total number of New Shares which may be issued upon exercise of Share Options to be granted under the Share Option Scheme as renewed shall not exceed 10% of the issued Shares as at the date of 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 purpose of calculating the Renewed Scheme Mandate Limit;
 - (b) the Directors of the Company be and are hereby authorized, subject to compliance with the Listing Rules, to grant Share Options under the Share Option Scheme up to the Renewed Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such Share Options; and

- (c) any Director of the Company be and is hereby authorized to do all such acts and execute all such documents to effect the Renewed Scheme Mandate Limit.”

By Order of the Board
APAC Resources Limited
Cao Zhong
Chairman

Hong Kong, 30 April 2008

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company but must attend the meeting in person to represent the appointing member.
2. To be valid, the form of proxy must be deposited with the Company’s Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.

As at the date of this notice, the Board of the Company comprises six executive Directors, Mr. Cao Zhong (Chairman), Mr. Liu Yongshun (Chief Executive Officer), Mr. Zhou Luyong (Deputy Chief Executive Officer), Ms. Chong Sok Un, Mr. Chen Zhaoqiang, Mr. Yue Jialin, and four independent non-executive Directors, Mr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis, Mr. Alan Stephen Jones and Mr. Robert Moyse Willcocks.

** For identification purpose only*