
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your securities in APAC Resources Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the issuer. The directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

PROPOSALS FOR RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE SECURITIES
AND
REPURCHASE SHARES AND WARRANTS
AND
RENEWAL OF SCHEME MANDATE LIMIT

The notice convening an annual general meeting of APAC Resources Limited to 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. is set out on pages 21 to 25 of this circular. Whether or not you are able to attend the said meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions thereon and return the same to the branch share registrars of the Company in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

* For identification purpose only

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Board	
Introduction	3
Re-election of Directors	4
General Mandate to issue securities and repurchase the Shares and Warrants	5
Renewal of the Scheme Mandate Limit	6
AGM and right to demand a poll	8
Recommendation	9
General Information	9
Appendix I — Details of Retiring Directors proposed to be re-elected	10
Appendix II — Explanatory Statement as to Repurchase Mandate	17
Appendix III — Notice of Annual General Meeting	21

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to 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.;
“AGM Notice”	the notice convening the AGM as set out in Appendix III of this circular
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company;
“Company”	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1104);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(a) of Letter from the Board in this circular;
“Latest Practicable Date”	24 April 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	as defined in paragraph 3(b) of Letter from the Board in this circular;
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme and any other share option schemes of the Company, which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme or of the renewal of such limit;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 22 September 2004 for an option period of ten years from its date of adoption;
“Shareholder(s)”	registered holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeover Codes”	Hong Kong Code on Takeovers and Mergers;
“Warrant(s)”	warrants of the Company listed on the Stock Exchange that entitles holders thereof to subscribe at any time during the period from 5 February 2007 to 4 February 2010 (both days inclusive) for fully paid Shares at an initial subscription price of HK\$0.30 per Share (subject to adjustments);
“Warrantholders”	holders of the Warrants; and
“%”	per cent.

LETTER FROM THE BOARD



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)

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

Independent Non-executive Directors:

Mr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Alan Stephen Jones
Mr. Robert Moyse Willcocks

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and
principal place of business:*

32/F
China Online Centre
333 Lockhart Road
Wan Chai
Hong Kong

30 April 2008

To the Shareholders and, for information only, the Warrantholders

Dear Sir or Madam,

PROPOSALS FOR RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE SECURITIES
AND
REPURCHASE SHARES AND WARRANTS
AND
RENEWAL OF SCHEME MANDATE LIMIT

1. INTRODUCTION

The purpose of this circular is to provide you with the information regarding resolutions to be proposed at the AGM relating to (i) re-election of Directors, (ii) the granting to the Directors of

** For identification purpose only*

LETTER FROM THE BOARD

general mandates for the issue of securities and the repurchase of Shares and Warrants, (iii) the renewal of the Scheme Mandate Limit and (iv) a notice to convene the AGM to approve, among other things, the re-election of Directors, the proposal for grant of the general mandate for the issue of securities and the repurchase of Shares and Warrants, and the renewal of the Scheme Mandate Limit.

2. RE-ELECTION OF DIRECTORS

The Board currently consists of 10 Directors, namely Mr. Cao Zhong, Mr. Liu Yongshun, Mr. Zhou Luyong, Ms. Chong Sok Un, Mr. Chen Zhaoqiang, Mr. Yue Jialin, Mr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis, Mr. Alan Stephen Jones and Mr. Robert Moyse Willcocks.

Pursuant to Bye-laws 87(1) and (2) of the existing Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot.

Pursuant to Bye-laws 86(2) of the existing Bye-laws, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy on the Board or, subject to authorisation by the Shareholders in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Shareholders in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting (in the case of filling a causal vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting. Pursuant to Bye-law 87(2) of the existing Bye-laws, any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

In accordance with Bye-laws 86 and 87 of the existing Bye-laws, Mr. Cao Zhong, Mr. Liu Yongshun, Mr. Zhou Luyong, Ms. Chong Sok Un, Mr. Chen Zhaoqiang, Mr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis, Mr. Alan Stephen Jones and Mr. Robert Moyse Willcocks will retire at the forthcoming AGM and, being eligible, offer themselves for re-election.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. A brief biographical details of the retiring Directors are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. GENERAL MANDATE TO ISSUE SECURITIES AND TO REPURCHASE THE SHARES AND WARRANTS

At the annual general meeting of the Company held on 25 May 2007, ordinary resolutions were passed for the granting of general mandate to the Directors, inter alia,

- (i) to allot, issue or otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at that date (the “Existing Issuance Mandate”), and
- (ii) to repurchase Shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at that date (the “Existing Repurchase Mandate”).

The Existing Issuance Mandate and the Existing Repurchase Mandate will lapse upon the conclusion of the AGM. The Directors consider that the Existing Issuance Mandate and the Existing Repurchase Mandate increase the flexibility in the Company’s affairs and are in the interests of the Shareholders, and that the same should continue to be adopted by the Company.

It will therefore be proposed at the forthcoming AGM to approve the granting of new general mandates to the Directors to exercise the power of the Company:

- (a) to allot, issue and deal with 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, of an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution (“Issuance Mandate”); and
- (b) to repurchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company and to repurchase Warrants on the Stock Exchange of a total number not exceeding 10% of the outstanding Warrants in each case as at the date of passing of such resolution (“Repurchase Mandate”).

Assuming that there is no further issuance, allotment of and dealing in new Shares of the Company from the Latest Practicable Date to the date of AGM, a maximum of 945,314,211 new Shares shall be allotted, issued and dealt with under the Issuance Mandate.

The Issuance Mandate and Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in ordinary resolutions numbered 4 and 5 set out in the AGM Notice. Resolutions authorising the extension of the Issuance Mandate to include the aggregate nominal amount of Shares and the amount of Warrants repurchased (if any) under the Repurchase Mandate will be proposed as ordinary resolutions numbered 6 and 7 set out in the AGM Notice. With reference to the Issuance Mandate and Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares or Warrants pursuant thereto.

LETTER FROM THE BOARD

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of the Repurchase Mandate is set out in Appendix II to this circular.

4. RENEWAL OF THE SCHEME MANDATE LIMIT

Background

The Share Option Scheme was adopted by the Shareholders at the annual general meeting of the Company on 22 September 2004.

Under the Share Option Scheme, among other things:

- (i) the total number of Shares available for issue under options which may be granted under the Share Option Scheme and any other share option scheme of the Group (excluding options lapsed in accordance with the terms of the Share Option Scheme) must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme (the “**Scheme Mandate Limit**”); and
- (ii) the overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the share capital of the Company in issue from time to time.

The Company may renew the Scheme Mandate Limit at any time subject to approval of the shareholders of the Company in a general meeting. However, the Scheme Mandate Limit as renewed must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the Share Option Scheme and any other share option scheme of the Group (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit.

The existing Scheme Mandate Limit is 403,130,116 Shares, being 10% of the Shares in issue as at the date of the special general meeting on 15 August 2007 (which was 4,031,301,163 Shares). As at the Latest Practicable Date, there were 508,000,000 options granted under the Share Option Scheme which remained outstanding.

LETTER FROM THE BOARD

Details of outstanding Options are set out as follows: -

Share Option Scheme

Date	Scheme Mandate Limit	No. of option granted under scheme mandate/ (Options Lapsed)
22 September 2004	Scheme adoption date	41,300,000
25 May 2007	Annual general meeting	332,570,916
29 May 2007		216,000,000 ^(Note 1)
6 July 2007		270,000,000 ^(Note 2)
15 August 2007	Special general meeting (“SGM”)	403,130,116
3 October 2007		25,000,000
31 January 2008		<u>(3,000,000)</u>
Total Outstanding		<u><u>508,000,000</u></u>

Note 1: 150,000,000 Options were granted conditional upon approval at SGM which was eventually obtained on 27 July 2007.

Note 2: 210,000,000 Options were granted under specific mandate conditional upon approval at SGM which was eventually obtained on 15 August 2007.

Note 2: The number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised is 508,000,000 and the proposed Scheme Mandate Limit is 472,657,105, which does not exceed 1,417,971,316, which is the 30% of the Shares in issue as at the Latest Practicable Date.

The Directors consider that it is in the interests of the Group to renew the Scheme Mandate Limit to maintain the flexibility of the Group to provide incentives or reward qualified participants under the Share Option Scheme for their contributions to the Group. On the basis of 4,726,571,055 Shares in issue as at the Latest Practicable Date, the Scheme Mandate Limit shall be renewed to 472,657,105 Shares, representing 10% of the Shares in issue as at the date of the AGM approving the renewed Scheme Mandate Limit.

Conditions

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution, as special business, will be proposed to the Shareholders at the AGM to approve the renewal of the Scheme Mandate Limit in the terms as set out in resolution numbered 8 of the AGM Notice.

The adoption of the renewed Scheme Mandate Limit of the Share Option Scheme is conditional upon:

- (a) the approval of the Shareholders at the AGM; and

LETTER FROM THE BOARD

- (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, such number of the Shares representing 10% of the Shares in issue as at the date of the AGM which may fall to be allotted and issued pursuant to the exercise of any options granted under the renewed Scheme Mandate Limit.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the Share Option Scheme under the renewed Scheme Mandate Limit.

5. AGM AND RIGHT TO DEMAND A POLL

The AGM Notice is set out in Appendix III to this circular. At the AGM, resolutions will be proposed to approve, inter alia, the re-election of Directors, the granting of the Issuance Mandate, the Repurchase Mandate and the renewal of the Scheme Mandate Limit.

A form of proxy is enclosed with this circular for use at the AGM. Whether or not you are able to attend this meeting, you are requested to complete and return the enclosed form of proxy to the branch share registrars of the Company in Hong Kong, Tricor Secretaries Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the meeting in person if you so wish.

Pursuant to the Bye-law 66 of the existing Bye-laws, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting, or
- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of Directors, the grant of Issuance Mandate and Repurchase Mandate and the renewal of Scheme Mandate Limit are each in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders of the Company vote in favour of the relevant ordinary resolutions to be proposed at the AGM.

7. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices in this circular.

Yours faithfully,
By Order of the Board
APAC Resources Limited
Cao Zhong
Chairman

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

The details of the retiring Directors proposed to be re-elected at the AGM are set out below:

MR. CAO ZHONG, aged 48, was appointed as an executive Director on 26 April 2007 and has been re-designated as Chairman and Executive Director since 3 May 2007. Mr. Cao is responsible for the strategic planning and corporate development of the Group. He graduated from Zhejiang University, the PRC and Graduate School, The Chinese Academy of Social Sciences with a Bachelor Degree in Engineering and a Master Degree in Economics. Mr. Cao acts as the assistant general manager of Shougang Corporation and the chairman of China Shougang International Trade and Engineering Corporation. He is also the vice chairman and general manager of Shougang Holding (Hong Kong) Limited and a director of Benefit Rich Limited, both of which are substantial Shareholders of the Company. Mr. Cao is also currently the managing director of Shougang Concord International Enterprises Company Ltd, the chairman of each of Shougang Concord Technology Holdings Limited and Shougang Concord Century Holdings Limited, the vice chairman and managing director of Shougang Concord Grand (Group) Ltd (“SCG”) and the chairman of Global Digital Creations Holdings Limited, a non-wholly owned subsidiary of SCG. Mr. Cao has extensive experience in corporate management and operation. Mr. Cao is also a director of certain subsidiaries of the Company, the chairman of 亞太資源 (青島) 有限公司 (“亞太青島”) and the chairman of supervisory committee of 瑞域(上海)投資諮詢有限公司 (“瑞域上海”), both of which are wholly-owned subsidiaries of the Company in the PRC.

There is no service contract between the Company and Mr. Cao. Mr. Cao received a remuneration of HK\$1,000,000 for the year ended 31 December 2007 which was determined with reference to his duties and responsibilities within the Group and the prevailing market conditions. The term of his appointment shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, the Company has granted, pursuant to its Share Option Scheme, options to Mr. Cao to subscribe 133,000,000 Shares of the Company, in which 33,000,000 at HK\$1.20 per share and 100,000,000 at HK\$1.50 per share. Except as disclosed herein, as at the Latest Practicable Date, Mr. Cao does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, Mr. Cao does not hold any directorship in other listed public companies in the last three years and does not have any relationship with any Directors, senior management, substantial or controlling Shareholder of the Company.

In addition, Mr. Cao is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

MR. LIU YONGSHUN, aged 47, was appointed as a non-executive Director of the Company on 29 May 2007 and has been re-designated as Chief Executive Officer and an executive Director since 27 July 2007. Mr. Liu is responsible for the execution of the Group's strategies, policies and corporate actions as delegated by the Board. Mr. Liu obtained his Bachelor's Degree in Ironing Making from Maanshan Institute of Iron and Steel (East China University of Metallurgy/Anhui University of Technology) in 1983. He subsequently obtained his Executive Master of Business Administration degree from China Europe International Business School in 2005. Mr. Liu has had a number of major appointments in the raw iron and steel resources industry. He was the president of the Department of Mineral Resources, Shanghai Baosteel Group International Economic and Trading Co., Ltd. from November 2001 to May 2005. He was appointed as both the deputy general manager of Baosteel Corporation and the general manager of its No.1 Department of Purchase Centre of Baosteel Corporation from May 2005 to April 2006. He acted as deputy general manager of Baosteel Trading Co., Ltd. from May 2006 to April 2007. Mr. Liu is also the chairman of 瑞域上海 and a director of 亞太青島 and certain subsidiaries of the Company.

Based on the service contract between the Company and Mr. Liu, he is entitled to receive an annual remuneration of HK\$2,600,000 which was determined with reference to his duties and responsibilities within the Group and the prevailing market conditions. The term of his appointment shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, the Company has granted, pursuant to its Share Option Scheme, options to Mr. Liu to subscribe 150,000,000 Shares of the Company at HK\$1.20 per Share. Except as disclosed herein, as at the Latest Practicable Date, Mr. Liu does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, Mr. Liu did not hold any directorship in other listed public companies in the last three years and does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, Mr. Liu is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

MR. ZHOU LUYONG, aged 44, was appointed as a non-executive Director on 29 May 2007 and has been re-designated as Deputy Chief Executive Officer and an executive Director since 27 July 2007. Mr. Zhou completed his undergraduate studies at East China Institute of Chemical Technology (currently known as East China University of Science & Technology) in 1985 majoring in coal process. He was the manager of Baosteel Trading Co., Ltd. from June 1998 to December 2001. He was the general manager of the Coal and Coke Department of Shanghai Baosteel International Economics and Trading Co., Ltd. from January 2002 to May 2004. He acted as general manager of Shanghai Baoding Energy Co., Ltd. from May 2004 to November 2005. Mr. Zhou is a director of 亞太青島 and 瑞域上海.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Based on the service contract between the Company and Mr. Zhou, he is entitled to receive an annual remuneration of HK\$1,950,000 which was determined with reference to his duties and responsibilities within the Group and the prevailing market conditions. The term of his appointment shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, the Company has granted, pursuant to its Share Option Scheme, options to Mr. Zhou to subscribe for 33,000,000 Shares at HK\$1.20 per Share. Except as disclosed herein, at the Latest Practicable Date, Mr. Zhou has no interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, Mr. Zhou did not hold any directorship in other listed public companies in the last three years and does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, Mr. Zhou is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

MS. CHONG SOK UN, aged 53, has been appointed as an executive Director since 6 July 2007. Ms. Chong holds a Master Degree in Business Administration. She is currently the chairman and an executive director of COL Capital Limited (“COL”), a substantial Shareholder of the Company, and also a non-executive director of Shanghai Allied Cement Limited, both of which are listed on the main board of the Stock Exchange. She has been the chairman of Long Island Golf & Country Club, Dongguang, China since September 1998. She is also the vice-chairman of the 28th Term Board of Directors of Yan Oi Tong. During 1992 to 2000, she was a director and chief executive officer of Shenyin Wanguo (H.K.) Limited. During September 2001 to October 2006, she was an independent director of Fujian Minnan (Zhangzhou) Economy Development Co., Ltd (福建閩南(漳州)經濟發展股份有限公司), a company with shares listed on the Shenzhen Stock Exchange. During June 2002 to May 2007, she was a non-executive director of RIMCapital Limited, a company with shares listed on the Australian Stock Exchange. Ms. Chong is also a director of certain subsidiaries of the Company and the chairman of supervisory committee of 亞太青島.

There is no service contract between the Company and Ms. Chong. Ms. Chong received a remuneration of HK\$1,000,000 for the year ended 31 December 2007 which was determined with reference to her duties and responsibilities within the Group and the prevailing market conditions. The term of her appointment shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, Ms. Chong is interested in 716,120,000 Shares which represents an interest in 601,120,000 Shares and an interest in 5,000,000 units of Warrants and 110,000,000 units of options at a subscription price of HK\$1.50 per share granted to Ms. Chong pursuant to the Share Option Scheme giving rise to an interest in 115,000,000 underlying Shares. The interest in the 601,120,000 Shares and the 5,000,000 units of Warrants held by Sparkling Summer Limited, which is an indirect wholly-owned subsidiary of COL. COL is 38.56% owned by Vigor

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Online Offshore Limited which in turn is a wholly-owned subsidiary of China Spirit Limited in which Ms. Chong maintains 100% beneficial interest. Except as disclosed herein, as at the Latest Practicable Date, Ms. Chong does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, Ms. Chong did not hold any directorships in listed public companies during the last three years and does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, Ms. Chong is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

MR. CHEN ZHAOQIANG, aged 40, was appointed as a non-executive Director on 6 July 2007 and has been re-designated as an executive Director since 7 September 2007. Mr. Chen obtained his Bachelor's Degree in Mining Engineering from Jiaozuo Mining Institute in 1989. He subsequently obtained his Master Degree in Management Science from Huazhong University of Science & Technology. Mr. Chen has had a number of major appointments in coal mining industry. He was the vice chairman of Political Consultation, Xiangcheng County, Henan Province in 2004. He was also elected as one of the Top 10 Young People in Pingdingshan City in 2006. He worked in Pingdingshan Coal Co. Ltd. as a technician, director of operational division, vice general engineer, director of technical division and coalmine head from July 1989 to March 2004. He was appointed as both the vice chairman of Pingbao Coal Co. Ltd. and director of Shoushan No.1 Coalmine of Pingdingshan Coal Co. Ltd. from April 2004 to January 2007. He was appointed as vice general manager of Henan Company for Coal Seam Gas Development & Application since March 2007. Mr. Chen's extensive experience in coal supply management for coal mining, technology development and management, purchase and logistics management, mineral resources development, project management and coal trading will contribute to the Company's business growth and expansion into the coal mining industry. He is also a director of 瑞域上海.

Based on the service contract between the Company and Mr. Chen, he is entitled to receive an annual remuneration of HK\$1,950,000 which was determined with reference to his duties and responsibilities within the Group and the prevailing market conditions. The term of his appointment shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, Mr. Chen personally has no direct interest in the Company. However, the Company has granted, pursuant to its Share Option Scheme, options to Mr. Chen to subscribe for 33,000,000 Shares at HK\$1.50 per share. Save as disclosed herein, as at the Latest Practicable Date, he does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Except as disclosed herein, Mr. Chen did not hold any directorship in other listed public companies in the last three years and does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

In addition, Mr. Chen is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

MR. WONG WING KUEN, ALBERT, aged 57, has been appointed as an independent non-executive Director since 6 July 2004. Mr. Wong is a fellow member of The Institute of Chartered Secretaries and Administrators, a fellow member of The Hong Kong Institute of Company Secretaries, a fellow member of the Taxation Institute of Hong Kong, a member of Hong Kong Securities Institute, a fellow member of Association of International Accountants, a fellow member of Society of Registered Financial Planners, an associate member of Association of International Accountants, a fellow member of Society of Registered Financial Planners, an associate member of Hong Kong Institute of Arbitrators, a member of The Chartered Institute of Arbitrators, a member of The Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. Mr. Wong is the managing director of Charise Financial Planning Limited, a private professional consulting firm in Hong Kong.

Mr. Wong received remuneration of approximately HK\$80,000 for the year ended 31 December 2007 which was determined with reference to his duties and responsibilities with the Company and the prevailing market conditions. Mr. Wong has not been appointed for a specific term but shall be subject to retirement and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, Mr. Wong personally has no direct interest in the Company. However, the Company has granted, pursuant to its Share Option Scheme, options to Mr. Wong to subscribe for 3,000,000 Shares at HK\$1.50 per Share. Except as disclosed herein, as at the Latest Practicable Date, he does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, Mr. Wong did not hold any directorship in other listed public companies in the last three years and does not have any relationship with any of the Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, Mr. Wong is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

MR. CHANG CHU FAI, JOHNSON FRANCIS, aged 53, was appointed as an Independent Non-Executive Director of the Company on 6 July 2007. He is a registered person under the SFO. Since 2000, Mr. Chang has been the managing director of Ceres Capital Limited, a licensed corporation under the SFO engaged in the provision of corporate finance advisory services. Mr. Chang has over 30 years of experience in banking, corporate finance, investment and management. He holds a Bachelor's Degree in Commerce from Concordia University in Montreal, Canada since 1976 and a Master's Degree in Business Administration from York University in Toronto, Canada since 1977. Mr. Chang is currently the deputy chairman and an independent non-executive director of Quality HealthCare Asia Limited; and an independent non-executive director of Tian An China Investments Company Limited and Royale Furniture Holdings Limited (formerly known as Chitaly Holdings

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Limited), all of which are companies with shares listed on the Stock Exchange. He was the chairman and an executive director of Trasy Gold Ex Limited from January 2006 to November 2007 and an executive director of Golden 21 Investment Holdings Limited (now known as China Financial Leasing Group Limited) from May 2002 to April 2007, both are companies listed on the Stock Exchange.

There is no service contract between the Company and Mr. Chang. Mr. Chang received a remuneration of approximately HK\$59,000 for the year ended 31 December 2007 which was determined with reference to his duties and responsibilities with the Company and the prevailing market conditions. Mr. Chang has not been appointed for a specific term but shall be subject to retirement and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, Mr. Chang personally has no direct interests in the Company. However, the Company has granted pursuant to its Share Option Scheme, options to Mr. Chang to subscribe for 2,000,000 Shares at HK\$1.50 per Share. Except as disclosed herein, as at the Latest Practicable Date, he does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chang did not hold any directorship in other listed public companies in the last three years and does not have any relationship with any of the Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, Mr. Chang is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

MR. ALAN STEPEHEN JONES, aged 65, has been appointed as an independent non-exeuctive Director since 27 July 2007. Mr. Jones is a chartered accountant and has extensive experience in management, administration, accounting, property development, carpark management, finance and trading. Mr. Jones has been involved in successful mergers and acquisitions of a number of public companies in Australia and internationally. He is an independent non-executive director of Allied Group Limited, Allied Properties (H.K.) Limited and Sun Hung Kai & Co. Limited, all of which are companies listed on the Stock Exchange. He is also a non-executive director of Mount Gibson Iron Limited, a company listed on the Australian Securities Exchange and a non-executive director of Mulpha Australia Limited.

There is no service contract between the Company and Mr. Jones. Mr. Jones received a remuneration of approximately HK\$52,000 for the year ended 31 December 2007 which was determined with reference to his duties and responsibilities with the Company and the prevailing market conditions.

Mr. Jones has not been appointed for a specific term but shall be subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

As at the Latest Practicable Date, Mr. Jones personally has no direct interest in the Company and does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, Mr. Jones did not hold any directorship in other listed public companies in the last three years and does not have any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, Mr. Jones is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

MR. ROBERT MOYSE WILLCOCKS, aged 59, has been appointed as an independent non-executive Director since 27 July 2007. Mr. Willcocks holds a Bachelor's Degree in Arts and a bachelor's degree of Laws from Australian National University in Australia and a Master's Degree in Law from the University of Sydney in Sydney, Australia. He has been an advisor to companies in the mining and resources industry for more than 25 years. He has been a partner of Mallesons Stephen Jaques, an Australian law firm, director of Ban-Pu Australia Pty Ltd, Oakbridge Pty Ltd, Energy World Corporation Limited, eStar Online Trading Limited, Bond University Limited and Member of Australian International Legal Advisory Committee. Mr. Willcocks held and holds directorships in various resources companies which are listed on the Australia Stock Exchange including being a director of Emperor Mines Limited from February 1999 to June 2006, a former chairman of RIMCapital Limited, currently a non-executive director of CBH Resources Limited, member of its audit committee, remuneration committee, succession and governance committee and safety, health and environment committee.

There is no service contract between the Company and Mr. Willcocks. Mr. Willcocks received a remuneration of approximately HK\$52,000 for the year ended 31 December 2007 which was determined with reference to his duties and responsibilities with the Company and the prevailing market conditions. Mr. Willcocks has not been appointed for a specific term but shall be subject to retirement and re-election at least once every three years at the annual general meeting of the Company in accordance with the relevant provisions of the Bye-laws.

As at the Latest Practicable Date, Mr. Willcocks personally has no direct interest in the Company and does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Willcocks did not hold any directorship in other listed public companies in the last three years and does not have any relationship with any of the Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, Mr. Willcocks is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.

LISTING RULES FOR REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities (which shall include, where the context permits, shares of all classes and securities which carry a right to subscribe or purchase shares) on the Stock Exchange subject to certain restrictions amongst which the Listing Rules provided that the shares proposed to be repurchased by a company must be fully-paid up and all repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders either by way of general mandate to the Directors to make such repurchases or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, there were in issue an aggregate of 4,726,571,055 Shares and there were outstanding 195,866,450 Warrants attaching subscription rights in an aggregate amount of HK\$58,759,935 to subscribe for up to 195,866,450 Shares (at an initial subscription price of HK\$0.3 per Share). Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further securities of the Company are issued or no further Shares and Warrants are repurchased prior to the AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 472,657,105 Shares and 19,586,645 Warrants (representing 10% of each of the Shares and the Warrants in issue as at the date of granting of the Repurchase Mandate).

REASONS FOR REPURCHASES

The Directors believe that an authority to repurchase Shares and Warrants is in the best interests of the Company, the Shareholders and the Warrant holders.

Repurchases may, depending on the market conditions and funding arrangement of the Company at the time, result in an increase in earnings per share. The Directors are seeking the Repurchase Mandate so as to give the Company additional flexibility to do so if and when appropriate. The number of Shares and Warrants to be purchased on occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

While it is not possible to anticipate any specific circumstances in which the Directors might think it appropriate to repurchase Shares or Warrants, Shareholders can be assured that the Directors would only make repurchases in circumstances where they consider it to be in the best interests of the Company.

FUNDING OF REPURCHASES

In repurchasing Shares and Warrants, the Company must fund the repurchase entirely from the Company's available cash flow or working capital facilities legally available for such purpose in accordance with its memorandum of association and Bye-laws, the Listing Rules and the laws of Bermuda.

The Companies Act 1981 of Bermuda (as amended) provides that the amount of capital paid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares, or out of funds of the Company which would otherwise be available for dividend or distribution or from the proceeds of a fresh issue of shares made for the purpose. The Companies Act 1981 of Bermuda (as amended) further provides that the amount of premium payable on repurchase may only be paid out of either the funds that would otherwise be available for distribution or dividend or out of the share premium account of the Company. The shares repurchased will be treated as cancelled and the amount of the Company's issued share capital will be diminished by the nominal value of such shares, but the aggregate amount of the Company's authorised share capital will not be thereby reduced.

On the basis of the consolidated financial position of the Company for the year ended 31 December 2007 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Group at that time and the number of shares of the Company in issue as at the Latest Practicable Date, the Directors consider that there would be a material adverse impact on the working capital position but that there would not be any impact on the gearing position of the Group in the event that repurchases of all the Shares and Warrants were to be carried out in full during the proposed mandate period. However, no repurchase would be made in circumstances that would have a material adverse impact on the working capital of the Group (as compared with the financial position disclosed in its latest published audited financial statements) unless the Directors consider that such repurchases are in the best interest of the Company.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda and in accordance with the regulations set out in the memorandum of association and the Bye-laws of the Company.

DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates of any of the Directors, have any present intention, in the event that the grant to the Directors of the Repurchase Mandate is approved by the Shareholders, of selling Shares or Warrants to the Company.

No persons who are connected persons of the Company have notified the Company that they have a present intention to sell Shares or Warrants to the Company, nor have they undertaken not to sell any of Shares or Warrants held by them to the Company in the event that the Company is authorised to make repurchases of Shares or Warrants.

HONG KONG CODE ON TAKEOVERS AND MERGERS

If, on the exercise of the power to repurchase the Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeover Codes and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for the securities of the Company under Rule 26 of the Takeover Codes.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336(1) of the SFO, to the best of the knowledge and belief of the Directors:

- (i) Profit Harbour Investments Limited ("Profit Harbour"), a substantial Shareholder together with its concerted parties, held 487,739,562 Shares (which represents an interest in 368,399,602 Shares in issue and an interest in 119,339,960 units of Warrants giving rise to an interest in 119,339,960 underlying Shares), representing approximately 10.32% of the issued share capital of the Company;
- (ii) Shougang Holding (Hong Kong) Limited ("Shougang"), a substantial Shareholder together with its concerted parties, held 760,000,000 Shares (which represents an interest in 700,000,000 Shares in issue and an interest in 60,000,000 units of Warrants giving rise to an interest in 60,000,000 underlying Shares), representing approximately 16.08% of the issued share capital of the Company; and
- (iii) COL Capital Limited ("COL"), another substantial Shareholder together with its concerted parties, held 716,120,000 Shares (which represent an interest in 601,120,000 Shares and 5,000,000 Warrants held by Sparkling Summer Limited, an indirect wholly-owned subsidiary of COL, and 110,000,000 share options granted to Ms. Chong Sok Un ("Ms. Chong")), representing approximately 15.15% of the issued share capital of the Company. Since Ms. Chong has an indirect beneficial interest of 38.56% in COL, she is deemed to have interests in the aforesaid Shares and underlying shares.

On the basis of 4,726,571,055 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the date of the AGM, if the Repurchase Mandate were exercised in full, the shareholding percentage of Profit Harbour, Shougang and COL, together with all their respective concerted parties in the Company would increase to approximately 11.47%, approximately 17.87% and approximately 16.84% respectively. Such increase will not give rise to an obligation on the part of Profit Harbour, Shougang and COL, together with all their respective concerted parties to make a mandatory offer under Rule 26 of the Takeover Codes.

APPENDIX II EXPLANATORY STATEMENT AS TO REPURCHASE MANDATE

Save as aforesaid, the Directors are not aware of any consequences which will arise under the Takeover Codes as a result of the exercise of the power in full under the Repurchase Mandate.

The Directors has no intention to exercise the Repurchase Mandate to an extent that the aggregate amount of the share capital of the Company in public hands would be reduced to less than 25% of the issued share capital of the Company.

SHARE AND WARRANTS PRICES AND REPURCHASE RECORDS

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares and Warrants on the Stock Exchange were as follows:

	Share Price		Warrant Price	
	Highest (HK\$)	Lowest (HK\$)	Highest (HK\$)	Lowest (HK\$)
2007				
April	1.02	0.82	0.72	0.51
May	1.14	1.01	0.79	0.68
June	1.59	1.26	1.20	0.90
July	1.58	1.29	1.16	1.05
August	1.33	0.84	1.10	0.55
September	1.07	0.94	0.76	0.65
October	1.97	1.21	1.55	0.80
November	1.95	1.50	1.60	1.20
December	1.77	1.33	1.41	1.12
2008				
January	1.39	0.84	1.12	1.00
February	1.09	0.79	1.00	1.00
March	0.98	0.66	1.00	0.40
April (up to Latest Practicable Date)	0.75	0.64	0.40	0.40

During each of the six months preceding the Latest Practicable Date, no Shares or Warrants were repurchased by the Company.



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 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, 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 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*