
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.

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PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS
(2) GENERAL MANDATES TO ISSUE SECURITIES
AND TO REPURCHASE SHARES
(3) AMENDMENTS TO BYE-LAWS

The notice convening an annual general meeting of APAC Resources Limited to be held at Lower Lobby, Plaza 3, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 28 September 2011 at 2:30 p.m. is set out on pages 18 to 22 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 registrar 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

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DEFINITIONS

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

“Act”	the Companies Act 1981 of Bermuda;
“AGM”	the annual general meeting of the Company to be held at Lower Lobby, Plaza 3, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 28 September 2011 at 2:30 p.m.;
“AGM Notice”	the notice convening the AGM as set out in Appendix IV to this circular;
“Amendments to Bye-laws”	the proposed amendments to the Bye-laws as set out in the special resolution in the AGM Notice;
“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 PRC;
“Issuance Mandate”	as defined in paragraph 3(a) of the Letter from the Board in this circular;
“Latest Practicable Date”	23 August 2011, 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;
“PRC”	the People’s Republic of China;
“Repurchase Mandate”	as defined in paragraph 3(b) of the Letter from the Board in this circular;

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers; 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)

Executive Directors:

Ms. Chong Sok Un (*Chairman*)
Mr. Andrew Ferguson (*Chief Executive Officer*)
Mr. Yue Jialin
Mr. Kong Muk Yin

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-Executive Directors:

Mr. Lee Seng Hui
Mr. So Kwok Hoo
Mr. Liu Yongshun
Mr. Peter Anthony Curry

*Head office and principal
place of business:*

32/F China Online Centre
333 Lockhart Road
Wanchai
Hong Kong

Independent Non-Executive Directors:

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

29 August 2011

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS
(2) GENERAL MANDATES TO ISSUE SECURITIES
AND TO REPURCHASE SHARES
(3) AMENDMENTS TO BYE-LAWS

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 the Issuance Mandate and Repurchase Mandate, (iii) the Amendments to Bye-laws, and (iv) a notice to

** For identification purpose only*

LETTER FROM THE BOARD

convene the AGM to approve, among other things, the re-election of Directors, the proposal for the granting of the Issuance Mandate and Repurchase Mandate and the Amendments to Bye-laws.

2. RE-ELECTION OF DIRECTORS

Pursuant to Bye-laws 87(1) and (2) 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-law 86(2) the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual 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 casual 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), 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, Mr. Liu Yongshun, Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis 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.

3. GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 June 2010, ordinary resolutions were passed for the granting of general mandates 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

LETTER FROM THE BOARD

- (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 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 1,372,057,598 new Shares, representing 20% of the aggregate nominal amount of the issued share capital of the company, 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 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 repurchased (if any) under the Repurchase Mandate will be proposed as ordinary resolution 6 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 pursuant thereto.

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.

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4. AMENDMENTS TO BYE-LAWS

A special resolution will be proposed at the AGM to amend the Bye-laws to bring them in line with certain changes to the Listing Rules and the Act. The effects of the proposed amendments are as follows:

- (i) inspection by the public of the register of members shall be without charge at the registered office of the Company or such other place at which the register of members is kept in accordance with the Act; and
- (ii) The Board shall have the power to appoint new auditor to fill any casual vacancy in the office of auditor of the Company without the need to obtain Shareholders' approval.

Details of the proposed amendments to the Bye-laws are set out in Appendix III to this circular.

5. ANNUAL GENERAL MEETING

The AGM Notice is set out in Appendix IV to this circular. At the AGM, ordinary resolutions will be proposed to approve, inter alia, the re-election of Directors, the granting of the Issuance Mandate and the Repurchase Mandate and a special resolution will be proposed to approve the Amendments to Bye-laws.

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 registrar of the Company 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 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.

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 the Issuance Mandate and the Repurchase Mandate and the proposed special resolution for approval of the Amendments to Bye-laws are each in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant ordinary resolutions and special resolution 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
Chong Sok Un
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. Liu Yongshun (劉永順), aged 50, was appointed as a Non-Executive Director of the Company on 29 May 2007, re-designated as Chief Executive Officer and an Executive Director of the Company on 27 July 2007, re-designated as an Executive Director of the Company on 11 December 2009, and has been re-designated as a Non-Executive Director since 23 April 2010. Mr. Liu obtained his Bachelor's Degree in Iron 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 the 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.

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

There was a service contract between the Company and Mr. Liu prior to his re-designation from an Executive Director to a Non-Executive Director of the Company effective from 23 April 2010. There is no service contract between the Company and Mr. Liu since 23 April 2010. Mr. Liu received total emolument of HK\$1,218,721 for the eighteen months ended 30 June 2011. Mr. Liu 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.

As at the Latest Practicable Date, Mr. Liu has options to subscribe for 2,000,000 Shares at the exercise price of HK\$1.00 per Share granted by the Company under the Company's share option scheme (details of which are set out in the 2010/2011 annual report of the Company). Except as disclosed herein, Mr. Liu does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

In addition, Mr. Liu is not aware of any other 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

Dr. Wong Wing Kuen, Albert (王永權), aged 60, has been appointed as an Independent Non-Executive Director of the Company since 6 July 2004. Dr. Wong holds a Doctor of Philosophy in Business Administration degree from the Bulacan State University, Republic of the Philippines. He is a fellow member of The Institute of Chartered Secretaries and Administrators, a fellow member of The Hong Kong Institute of Chartered 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, 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. Currently, Dr. Wong is the managing director of Charise Financial Planning Limited, a private professional consulting firm in Hong Kong. He is also an independent non-executive director of Solargiga Energy Holdings Limited (*stock code: 757*), a company with shares listed on the main board of the Stock Exchange.

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

There is no service contract between the Company and Dr. Wong. Dr. Wong received total emolument of HK\$494,798 for the eighteen months ended 30 June 2011. Dr. Wong 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.

As at the Latest Practicable Date, Dr. Wong has options to subscribe for 2,000,000 Shares at the exercise price of HK\$1.00 per Share granted by the Company under the Company's share option scheme (details of which are set out in the 2010/2011 annual report of the Company). Except as disclosed herein, Dr. Wong does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

In addition, Dr. Wong is not aware of any other 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.

Dr. Wong is the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

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

Mr. Chang Chu Fai, Johnson Francis (鄭鑄輝), aged 57, was appointed as an Independent Non-Executive Director of the Company since 6 July 2007. Mr. Chang 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. He has over 33 years of experience in banking, corporate finance, investment and management and has held various executive positions at financial institutions and directorships of listed companies. Mr. Chang is currently the Managing Director of Ceres Consultancy Limited and a registered person under the Securities and Futures Ordinance. He is also the deputy chairman and an independent non-executive director of Allied Overseas Limited (formerly known as Quality HealthCare Asia Limited) (*stock code: 593*); and an independent non-executive director of Tian An China Investments Company Limited (*stock code: 28*) and Royale Furniture Holdings Limited (*stock code: 1198*), all of which are companies with shares listed on the main board of the Stock Exchange. Mr. Chang was previously the chairman and an executive director of Trasy Gold Ex Limited (*stock code: 8063*), company with shares listed on Growth Enterprise Market of the Stock Exchange, an executive director of China Financial Leasing Group Limited (*stock code: 2312*), company with shares listed on the main board of the Stock Exchange and the managing director of Ceres Capital Limited.

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

There is no service contract between the Company and Mr. Chang. Mr. Chang received total emolument of HK\$494,798 for the eighteen months ended 30 June 2011. Mr. Chang 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.

As at the Latest Practicable Date, Mr. Chang has options to subscribe for 2,000,000 Shares at the exercise price of HK\$1.00 per Share granted by the Company under the Company's share option scheme (details of which are set out in the 2010/2011 annual report of the Company). Except as disclosed herein, Mr. Chang does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

In addition, Mr. Chang is not aware of any other 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 is a member of the Audit Committee and the Remuneration Committee of the Company.

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

Mr. Robert Moyse Willcocks, aged 62, has been appointed as an Independent Non-Executive Director of the Company 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 28 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 the Australian International Legal Advisory Committee. Mr. Willcocks held and holds directorships in various resources companies which are listed on the Australian Stock Exchange including being a director of Emperor Mines Limited from February 1999 to June 2006, a former chairman of RIMCapital Limited, a former non-executive director of CBH Resources Limited (delisted on 30 September 2010), a non-executive director of Orion Petroleum Limited (*stock code: OIP*) from April 2010 to March 2011 and chief executive and chairman from March 2011 to June 2011, and an alternate director to Mr. Cao Zhong / Mr. Lee Seng Hui of Mount Gibson Iron Limited (*stock code: MGX*) from December 2008 to February 2011. He is currently a non-executive director of ARC Exploration Limited (*stock code: ARX*) and an independent director of Living Cell Technologies Limited (*stock code: LCT*). He is also the chairman of Trilogy Funds Management Limited, a responsible entity under Australian Law (since October 2009).

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

There is no service contract between the Company and Mr. Willcocks. Mr. Willcocks received total emolument of HK\$494,798 for the eighteen months ended 30 June 2011. Mr. Willcocks 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.

As at the Latest Practicable Date, Mr. Willcocks has options to subscribe for 2,000,000 Shares at the exercise price of HK\$1.00 per Share granted by the Company under the Company's share option scheme (details of which are set out in the 2010/2011 annual report of the Company). Except as disclosed herein, Mr. Willcocks does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

In addition, Mr. Willcocks is not aware of any other 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. Willcocks is a member of the Audit Committee and the Remuneration Committee of the Company.

The Board has delegated the task of determining the remuneration of the Directors to the Remuneration Committee of the Company. In determining the remuneration of the Directors, the Remuneration Committee would take into considerations, amongst others, the experience and duty and responsibilities of the Directors.

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 6,860,287,990 Shares. Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued and repurchased prior to the AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 686,028,799 Shares, representing 10% of the Shares in issue as at the date of granting of the Repurchase Mandate.

REASONS FOR REPURCHASES

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

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 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, 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 and the Shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing Shares, 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 the Bye-laws, the Listing Rules and the laws of Bermuda.

The Act 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 out of the proceeds of a fresh issue of shares made for the purpose of the share repurchase. The Act further provides that the amount of premium (if any) 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 statement of financial position of the Company as at 30 June 2011 (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 in issue as at the Latest Practicable Date, the Directors consider that there would not be a material adverse impact on the working capital position and the gearing position of the Group in the event that repurchases of all the Shares 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 position and the gearing position of the Group (as compared with the financial position disclosed in its latest published audited consolidated 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.

DIRECTORS AND CONNECTED PERSONS

None of the Directors nor (to the best of the knowledge and belief of the Directors and having made all reasonable enquiries) any associates (as defined in the Listing Rules) of the Directors who 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 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 to the Company, nor have they undertaken not to sell any of Shares held by them to the Company in the event that the Company is authorised to make repurchases of Shares.

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 Takeovers Code 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 Takeovers Code.

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) Shougang Fushan Resources Group Limited (formerly known as Fushan International Energy Group Limited) ("**Shougang Fushan**"), a substantial Shareholder together with its concerted parties, held 956,000,000 Shares, representing approximately 13.94% of the issued share capital of the Company.
- (ii) COL Capital Limited ("**COL**"), a substantial Shareholder together with its concerted parties, held 1,900,939,562 Shares, representing approximately 27.71% of the issued share capital of the Company. COL is 70.87% indirectly owned by Ms. Chong Sok Un and therefore Ms. Chong is deemed to have interests in the Shares in which COL is interested.

On the basis of 6,860,287,990 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 (if the present shareholding remains the same) of Shougang Fushan and COL, together with all their respective concerted parties would increase to approximately 15.48% and 30.79% respectively. Such increase will give rise to an obligation on the part of COL to make a general offer for all the shares not already owned by it and agreed to be acquired by it under Rules 26 and 32 of the Takeovers Code.

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

The Directors have 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 PRICES

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

	Share Price	
	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2010		
August	0.495	0.440
September	0.560	0.450
October	0.540	0.445
November	0.580	0.480
December	0.520	0.465
2011		
January	0.550	0.485
February	0.530	0.495
March	0.530	0.450
April	0.510	0.445
May	0.485	0.420
June	0.460	0.385
July	0.430	0.395
August (up to Latest Practicable Date)	0.420	0.300

SHARE REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company repurchased a total of 50,280,000 Shares at an aggregate consideration of HK\$22,989,850 on the Stock Exchange. Details of the repurchase of such Shares are as follow:

Date of repurchase	No. of Shares	Price per share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
11/04/2011	1,340,000	0.490	0.490	656,600
12/04/2011	5,000,000	0.490	0.490	2,450,000
13/04/2011	3,580,000	0.480	0.480	1,718,400
15/04/2011	8,080,000	0.480	0.475	3,863,000
21/04/2011	5,000,000	0.480	0.480	2,400,000
28/04/2011	7,500,000	0.470	0.465	3,512,250
03/05/2011	1,000,000	0.450	0.450	450,000
04/05/2011	4,000,000	0.440	0.435	1,750,000
11/05/2011	1,000,000	0.450	0.450	450,000
12/05/2011	40,000	0.445	0.445	17,800
13/05/2011	1,340,000	0.450	0.445	601,300
19/05/2011	1,900,000	0.445	0.445	845,500
13/06/2011	7,000,000	0.415	0.410	2,880,000
14/06/2011	500,000	0.390	0.390	195,000
27/06/2011	1,000,000	0.400	0.400	400,000
29/06/2011	2,000,000	0.400	0.400	800,000
TOTAL	50,280,000			22,989,850

Save as disclosed herein, there was no repurchase by the Company, or any of its subsidiaries, of any listed securities of the Company during the six months preceding the Latest Practicable Date.

This appendix sets out the proposed amendments, as marked up for ease of reference, to the Bye-laws, as follows:

a. Bye-law 44

It is proposed that the existing Bye-law 44 be amended as follows:

~~“The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of then dollars at the Registration Office. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”~~

b. Bye-law 157

It is proposed that the existing Bye-law 157 be amended as follows:

~~“If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene a special general meeting to fill the vacancy. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy until the conclusion of the next annual general meeting and fix the remuneration of the Auditor so appointed.”~~

APAC RESOURCES
APAC RESOURCES LIMITED
亞太資源有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1104)

NOTICE IS HEREBY GIVEN that the annual general meeting of APAC Resources Limited (the “**Company**”) will be held at Lower Lobby, Plaza 3, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 28 September 2011 at 2:30 p.m. for the following purposes:

ORDINARY BUSINESS

1. To acknowledge the appointment by the board of directors of the Company (the “**Board**”) on 5 July 2011 of Deloitte Touche Tohmatsu to fill the casual vacancy as auditor of the Company and to receive and adopt the audited consolidated financial statements and the reports of the directors (“**Directors**”) and the auditor of the Company for the eighteen months ended 30 June 2011.
2. (a) To re-elect the following persons:
 - i. Mr. Liu Yongshun as Non-Executive Director
 - ii. Dr. Wong Wing Kuen, Albert as Independent Non-Executive Director
 - iii. Mr. Chang Chu Fai, Johnson Francis as Independent Non-Executive Director
 - iv. Mr. Robert Moyse Willcocks as Independent Non-Executive Director
- (b) To authorise the Board to fix the Directors’ remuneration.
3. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix their remuneration.

* For identification purpose only

SPECIAL BUSINESS

ORDINARY RESOLUTIONS

The following resolutions 4 to 6 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 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 authorise 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 meeting 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 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 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.”

SPECIAL RESOLUTION

The following resolution will be proposed to be considered and, if though fit, passed as a special resolution of the Company:

7. “**THAT** the Bye-laws of the Company (the “**Bye-laws**”) be and are hereby amended as follows:
- (a) by deleting the first sentence of the existing Bye-law 44 and substituting therefor the following:

“The register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act.”; and
 - (b) by deleting the existing Bye-law 157 in its entirety and substituting the following new Bye-law 157:

“If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy until the conclusion of the next annual general meeting and fix the remuneration of the Auditor so appointed.”

By Order of the Board
APAC Resources Limited
Chong Sok Un
Chairman

Hong Kong, 29 August 2011

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy or, if such member is a holder of two or more shares, 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 branch share registrar of the Company 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.
3. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

As at the date of this notice, the Directors of the Company are:

Executive Directors:

Ms. Chong Sok Un (*Chairman*)
Mr. Andrew Ferguson (*Chief Executive Officer*)
Mr. Yue Jialin
Mr. Kong Muk Yin

Non-Executive Directors:

Mr. Lee Seng Hui
Mr. So Kwok Hoo
Mr. Liu Yongshun
Mr. Peter Anthony Curry

Independent Non-Executive Directors:

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