APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS GRANTED BUT NOT EXERCISED

The Board resolved to cancel all outstanding Share Options granted pursuant to the Share Option Scheme but not exercised.

CANCELLATION OF SHARE OPTIONS

Pursuant to the board resolution dated 11 July 2012, the Board resolved that all outstanding Share Options granted pursuant to the Share Option Scheme but not exercised shall be cancelled. Such cancellation of Share Options was agreed by all Option Holders.

THE SHARE OPTIONS

Prior to the cancellation, the total outstanding Share Options granted but not exercised are 174,000,000. The said outstanding Share Options represent approximately 2.55% of the existing issued share capital of 6,813,047,990 Shares.

Following the cancellation, there are no outstanding Share Options granted under the Share Option Scheme but not exercised.

REASONS FOR CANCELLATION AND FINANCIAL EFFECT ON THE COMPANY

The purpose of the Share Option Scheme is to provide incentives or rewards to the Option Holders for their contribution to the Group and to enable the Group to recruit and retain the Option Holders. As the exercise prices of the Share Options are comparatively high when compared with the recent market prices of the Shares, which deters the Option Holders from exercising the Share Options to subscribe for the Shares, the Directors consider that it is in the interest of the Company and the Option Holders to cancel all outstanding Share Options granted but not exercised.

The Option Holders whose Shares Options have been cancelled shall not be entitled to any compensation or any consequential loss as a result of such cancellation. Therefore, there will not be any adverse financial effect as a result of the cancellation of the outstanding Share Options granted but not exercised.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of Directors
"Company"	APAC Resources Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Option Holders"	holders of Share Options
"Share(s)"	ordinary share of HK$0.10 each in the share capital of the Company
"Share Option Scheme"	the existing share option scheme adopted by the Company on 22 September 2004
"Share Options"	the share options granted pursuant to the Share Option Scheme and "**Share Option**" shall be construed accordingly
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 11 July 2012

As at the date of this announcement, the directors of the Company are:

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

Non-Executive Directors
Mr. Lee Seng Hui, Mr. So Kwok Hoo and Mr. Peter Anthony Curry

Independent Non-Executive Directors
Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks

* *For identification purpose only*