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 and the 2018 Annual Report, 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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APAC RESOURCES

APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS
(2) GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of APAC Resources Limited to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 22 November 2018 at 2:30 p.m. is set out on pages 16 to 20 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and 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 if you so wish.

* *For identification purpose only*

22 October 2018

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

"Act"	the Companies Act 1981 of Bermuda;
"AGL"	Allied Group Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 373);
"AGM"	the annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 22 November 2018 at 2:30 p.m. or any adjournment thereof;
"AGM Notice"	the notice convening the AGM as set out in Appendix III to this circular;
"APL"	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 56);
"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;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Issuance Mandate"	as defined in paragraph 3(a) of the Letter from the Board in this circular;
"Latest Practicable Date"	12 October 2018, 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 the Letter from the Board in this circular;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	ordinary share(s) of HK$1.00 each in the share capital of the Company;
"Share Buy-backs Code"	Hong Kong Code on Share Buy-backs;
"Shareholder(s)"	holder(s) of Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Takeovers Code"	Hong Kong Code on Takeovers and Mergers;
"2018 Annual Report"	annual report of the Company for the year ended 30 June 2018; and
"%"	per cent.

APAC RESOURCES LIMITED
亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

Executive Directors:
Mr. Brett Robert Smith *(Deputy Chairman)*
Mr. Andrew Ferguson *(Chief Executive Officer)*

Non-Executive Directors:
Mr. Arthur George Dew *(Chairman)*
(Mr. Wong Tai Chun, Mark as his alternate)
Mr. Lee Seng Hui
Mr. So Kwok Hoo

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

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business:
Room 2304, 23rd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai, Hong Kong

22 October 2018

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS
(2) GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the information regarding resolutions to be proposed at the AGM relating to, among other things, (i) the re-election of Directors, which include Mr. Arthur George Dew, a Non-Executive Director; Mr. Andrew Ferguson, an Executive Director; and Dr. Wong Wing Kuen, Albert, who has served the Company as an Independent Non-Executive Director for more than nine years; and (ii) the granting to the Directors of the Issuance Mandate and Repurchase Mandate.

* *For identification purpose only*

2. RE-ELECTION OF DIRECTORS

Pursuant to Bye-laws 87(1) and 87(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 and such that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. 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 among themselves) be determined by lot. 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.

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 causal vacancy on the Board or, subject to the 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 of the Company (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-laws 87(1) and 87(2), Mr. Arthur George Dew, Mr. Andrew Ferguson and Dr. Wong Wing Kuen, Albert shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

Further, pursuant to the code provision A.4.3 of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

Dr. Wong Wing Kuen, Albert has served as an Independent Non-Executive Director for more than nine years and being eligible, will stand for re-election at the AGM. The Company has received from Dr. Wong Wing Kuen, Albert an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and he does not have any management role in the Company nor any relationship with any Director, senior management or substantial or controlling shareholder of the Company. The Board therefore recommends the re-election of Dr. Wong Wing Kuen, Albert as Independent Non-Executive Director notwithstanding the fact that he has served the Company for more than nine years.

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 proposed to be re-elected at the AGM 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 4 December 2017, ordinary resolutions were passed for the granting of general mandates to the Directors, *inter alia*,

(i) to allot, issue or otherwise deal with additional securities of the Company up to 20% of the total number of Shares in issue as at that date (the "**Existing Issuance Mandate**"); and

(ii) to repurchase Shares up to 10% of the total number of Shares in issue 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 dealing with the Company's affairs and are in the interests of both the Company and the Shareholders as a whole, and that the same shall 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 powers of the Company:

(a) to allot, issue or otherwise deal with additional securities of the Company 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, up to 20% of the total number of Shares in issue as at the date of passing of such resolution (the "**Issuance Mandate**"); and

(b) to repurchase Shares on the Stock Exchange up to 10% of the total number of Shares in issue as at the date of passing of such resolution (the "**Repurchase Mandate**").

Subject to the passing of the proposed resolution in respect of the granting of the Issuance Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, a maximum of 159,055,463 new Shares, representing 20% of the total number of Shares in issue as at the Latest Practicable Date, shall be allotted, issued or otherwise dealt with under the Issuance Mandate.

The Issuance Mandate and Repurchase Mandate will continue to be 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. A resolution authorising the extension of the Issuance Mandate to include the total number of such 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 the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any securities of the Company or to 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 be proposed at the AGM in relation to the Repurchase Mandate is set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING

The AGM Notice is set out in Appendix III to this circular. A copy of the 2018 Annual Report is despatched to the Shareholders together with this circular. At the AGM, ordinary resolutions will be proposed to approve, *inter alia*, the re-election of Directors and the granting of the Issuance Mandate and the Repurchase Mandate.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions to be proposed at the AGM as set out in the AGM Notice shall be voted by poll. An announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

5. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, which include Mr. Arthur George Dew, a Non-Executive Director; Mr. Andrew Ferguson, an Executive Director; and Dr. Wong Wing Kuen, Albert, who has served the Company as an Independent Non-Executive Director for more than nine years, the grant of the Issuance Mandate and the Repurchase Mandate, and the extension of the Issuance Mandate to include the total number of such Shares repurchased (if any) under the Repurchase Mandate are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

6. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
By Order of the Board
APAC Resources Limited
Arthur George Dew
Chairman

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

Mr. Arthur George Dew, aged 76, was appointed as the Chairman and a Non-Executive Director of the Company on 1 March 2016. Mr. Dew graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is currently the chairman and a non-executive director of each of AGL (Stock Code: 373) and APL (Stock Code: 56); a non-executive director of SHK Hong Kong Industries Limited ("**SHK HK IND**") (Stock Code: 666); the chairman and a non-executive director of each of Dragon Mining Limited ("**Dragon Mining**") (Stock Code: DRA) and Tian An Australia Limited ("**Tian An Australia**") (Stock Code: TIA); and a non-executive director of Tanami Gold NL ("**Tanami Gold**") (Stock Code: TAM). AGL, APL and SHK HK IND are companies listed on the main board of the Stock Exchange. Dragon Mining, Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange. Save as disclosed above, Mr. Dew did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years. Mr. Dew was previously a non-executive director in approximately 1980 of an Australian agricultural company known as New England Agricultural Corp. Ltd. which company entered into a scheme of arrangement (the "**Scheme**") with its creditors and shareholders in approximately 1980 at a time when Mr. Dew was a non-executive director. Insofar as Mr. Dew can recollect, the approximate value involved in the Scheme was approximately AUD$2 million and the Scheme was completed in approximately 1981.

A letter of appointment has been entered into between the Company and Mr. Dew for a term of three years with effect from 1 March 2016, subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws or any other applicable laws from time to time whereby he shall vacate his office. Mr. Dew is an employee of AGL which charges management services fee to the Company pursuant to a sharing of management services agreement entered into between AGL and the Company and according to a specified percentage of his remuneration in AGL and such percentage is determined by reference to the percentage of time currently estimated to be devoted by him on the affairs of the Company. The remuneration of Mr. Dew in AGL was determined with reference to the prevailing market conditions and the terms of AGL's remuneration policy.

Save as disclosed above, Mr. Dew did not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company nor had he any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There are no other matters or information in relation to Mr. Dew that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Andrew Charles Ferguson, aged 45, was appointed as an Executive Director and the Chief Executive Officer of the Company on 12 January 2010. Mr. Ferguson holds various directorships in subsidiaries of the Company. Mr. Ferguson holds a Bachelor of Science Degree in Natural Resource Development and worked as a mining engineer in Western Australia in the mid 90's. In 2003, Mr. Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd.. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 23 years of experience in the finance industry specialising in global natural resources. Being a fund manager for assets in London and Hong Kong, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. He is currently an alternate director to Mr. Lee Seng Hui in Mount Gibson Iron Limited ("**Mount Gibson**") (Stock Code: MGX). He was a non-executive director of Metals X Limited ("**Metals X**") (Stock Code: MLX) between May 2012 and March 2016, and a non-executive director of Prodigy Gold NL ("**Prodigy Gold**", formerly known as ABM Resources NL) (Stock Code: PRX) between July 2012 and May 2016. Mount Gibson, Metals X and Prodigy Gold are companies listed on the Australian Securities Exchange. Save as disclosed above, Mr. Ferguson did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

As at the Latest Practicable Date, Mr. Ferguson has personal interests in 3,750,000 Shares, representing approximately 0.47% of the total number of issued Shares.

A services contract has been entered into between the Company and Mr. Ferguson, pursuant to which he is entitled to receive (i) an annual remuneration of HK$4,399,200 including accommodation; and (ii) discretionary bonus, which was determined with reference to his duties and responsibilities within the Group, the recommendation of the remuneration committee of the Board, the prevailing market conditions and the terms of the Company's remuneration policy. Mr. Ferguson has not been appointed for a specific term but shall be subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws or any other applicable laws from time to time whereby he shall vacate his office.

Save as disclosed above, Mr. Ferguson did not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company nor had he any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There are no other matters or information in relation to Mr. Ferguson that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Dr. Wong Wing Kuen, Albert (王永權), aged 67, 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, The Hong Kong Institute of Chartered Secretaries, The Taxation Institute of Hong Kong, Association of International Accountants and Society of Registered Financial Planners. He is a member of Hong Kong Securities Institute, The Chartered Institute of Arbitrators and The Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. He ceased to be the principal consultant of KND & Co. CPA Limited, a private professional accounting firm in Hong Kong, in December 2017, and was appointed as the principal consultant of KND Associates CPA Limited in January 2018. Dr. Wong is currently an independent non-executive director of Solargiga Energy Holdings Limited (Stock Code: 757), China Merchants Land Limited (Stock Code: 978) and China VAST Industrial Urban Development Company Limited (Stock Code: 6166). These three companies are listed on the main board of the Stock Exchange. He is also an independent non-executive director of China Wan Tong Yuan (Holdings) Limited (Stock Code: 8199) and Capital Finance Holdings Limited (Stock Code: 8239). These two companies are listed on the Growth Enterprise Market of the Stock Exchange. Save as disclosed above, Dr. Wong did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

During his tenure as an Independent Non-Executive Director, Dr. Wong has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments, judgment from the perspective of his financial background coupled with his general understanding of business of the Group, so his re-appointment is considered to be of benefit to the Company.

A letter of appointment has been entered into between the Company and Dr. Wong for a term of three years with effect from 1 June 2016, subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws or any other applicable laws from time to time whereby he shall vacate his office. Dr. Wong is entitled to a director's fee of HK$190,000 per annum which was determined with reference to the recommendation of the remuneration committee of the Board, the prevailing market conditions and the terms of the Company's remuneration policy.

Save as disclosed above, Dr. Wong did not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company nor had he any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. Dr. Wong has also given an annual confirmation of his independence to the Company pursuant to Rule 3.13 of the Listing Rules and is considered by the Board to be independent notwithstanding the fact that he has served as a Director for more than nine years after taking into account the fact that he does not have any management role in the Company nor any relationship with any Director, senior management or substantial or controlling shareholder of the Company, his experience and his past contributions to governance.

There are no other matters or information in relation to Dr. Wong that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

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, the total number of Shares in issue is 795,277,315 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 or repurchased prior to the AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 79,527,731 Shares, representing 10% of the total number of Shares in issue as at the date of granting of the Repurchase Mandate, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

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

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 repurchased 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 applicable 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 2018 (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 pursuant to the Repurchase Mandate were to be carried out in full at any time 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 or 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 interests of the Company.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate to make repurchases in accordance with the Listing Rules and all applicable laws of Bermuda and in accordance with the memorandum of association of the Company 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 close associates (as defined in the Listing Rules) 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 any Shares to the Company.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares to the Company, nor have they undertaken not to sell any 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 rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs 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 Rules 26 and 32 of the Takeovers Code.

Name of Shareholders	**Number of Shares interested**	**Approximate % of the issued share capital of the Company**	*Notes*	**Approximate % of the issued share capital of the Company should the Repurchase Mandate be exercised in full**
Shougang Fushan Resources Group Limited ("**Shougang Fushan**")	143,400,000	18.03%	*1*	20.03%
APL	270,638,943	34.03%	*2*	37.81%
AGL	270,638,943	34.03%	*3 and 4*	37.81%
Lee and Lee Trust and parties acting in concert with it	270,638,943	34.03%	*3 and 5*	37.81%

Notes:

1. These Shares are held by Benefit Rich Limited ("**Benefit Rich**"), a wholly-owned subsidiary of Shougang Fushan. Accordingly, Shougang Fushan is deemed to have an interest in the Shares in which Benefit Rich is interested.

2. The interests include 270,638,943 Shares held by Allied Properties Investments (1) Company Limited ("**API(1)**"), a wholly-owned subsidiary of Allied Properties Overseas Limited ("**APOL**") which in turn is a wholly-owned subsidiary of APL. APL is therefore deemed to have an interest in the Shares in which API(1) is interested.

3. This represents the same interests of APL in 270,638,943 Shares.

4. APL is a non wholly-owned subsidiary of AGL. AGL is therefore deemed to have an interest in the Shares in which APL is interested.

5. Mr. Lee Seng Hui, Director, together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controls approximately 74.95% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and is therefore deemed to have an interest in the Shares in which AGL is interested through APL.

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

(i) Shougang Fushan, a substantial Shareholder together with parties acting in concert with it holds 143,400,000 Shares, representing approximately 18.03% of the issued share capital of the Company.

(ii) Lee and Lee Trust and parties acting in concert with it (including AGL and APL) are beneficially interested in an aggregate of 270,638,943 Shares, representing approximately 34.03% of the issued share capital of the Company.

On the basis of 795,277,315 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the AGM, if the Repurchase Mandate were exercised in full, the shareholding percentage (if the present shareholding remains the same) of Shougang Fushan and Lee and Lee Trust, together with all their respective concerted parties would increase to approximately 20.03% and 37.81% respectively. To the best of the knowledge and belief of the Directors, such increase in the interests of Lee and Lee Trust together with parties acting in concert with it (including AGL and APL) will give rise to an obligation to make a mandatory general offer 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 present intention to exercise the Repurchase Mandate to an extent that it will trigger the obligations under the Takeovers Code to make a mandatory general offer or will result in the total number of Shares held by the public being reduced to less than 25% of the total number of Shares in issue.

SHARE PRICES

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

	Price per Share	
	Highest	**Lowest**
	HK$	*HK$*
2017		
October	1.27	1.09
November	1.27	1.22
December	1.30	1.22
2018		
January	1.70	1.27
February	1.51	1.24
March	1.46	1.34
April	1.36	1.26
May	1.40	1.26
June	1.31	1.22
July	1.22	1.12
August	1.22	1.13
September	1.35	1.12
October (up to the Latest Practicable Date)	1.30	1.15

SHARE REPURCHASE MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, no Shares were repurchased by the Company.

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 Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 22 November 2018 at 2:30 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the "**Directors**") and the auditor of the Company for the year ended 30 June 2018.

2. (a) To re-elect the following persons:

   i. Mr. Arthur George Dew as a Director

   ii. Mr. Andrew Ferguson as a Director

   iii. Dr. Wong Wing Kuen, Albert, an Independent Non-Executive Director who has already served the Company for more than nine years, as a Director

   (b) To authorise the board of Directors (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*

ORDINARY RESOLUTIONS

The following resolutions 4 to 6 will be proposed to be considered as special business and, if thought fit, passed with or without amendments, 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 or otherwise deal with additional shares in the capital of the Company ("**Shares**") or securities convertible into Shares, or options, warrants or similar rights to subscribe for any 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 total number of Shares 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 given in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) 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) any scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company from time to time; (iv) the exercise of any options granted 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 total number of Shares in issue 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) (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.

"**Rights Issue**" means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of issued Shares whose names appear 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 Buy-backs, 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 total number of Shares hereby authorised to be repurchased by the Company pursuant to the approval given in paragraph (a) above shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(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 a number representing the total number of 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 total number of Shares in issue as at the date of the passing of this resolution."

By Order of the Board
APAC Resources Limited
Arthur George Dew
Chairman

Hong Kong, 22 October 2018

Notes:

1. Any member entitled to attend and vote at the meeting will be entitled to appoint a proxy or, if such member is a holder of two or more shares, proxies to attend and vote in such member's 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, together with any power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

3. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof (as the case may be) and in such event the instrument appointing the proxy shall be deemed to be revoked.

4. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it 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 of members of the Company in respect of the joint holding.

5. To ascertain shareholders' eligibility to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 19 November 2018 to Thursday, 22 November 2018, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the meeting, all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 16 November 2018.

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

Executive Directors:
Mr. Brett Robert Smith *(Deputy Chairman)*
Mr. Andrew Ferguson *(Chief Executive Officer)*

Non-Executive Directors:
Mr. Arthur George Dew *(Chairman)*
(Mr. Wong Tai Chun, Mark as his alternate)
Mr. Lee Seng Hui
Mr. So Kwok Hoo

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