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

DISCLOSEABLE TRANSACTION

(1) CONDITIONAL SALE AND PURCHASE OF AN AGGREGATE OF APPROXIMATELY 12.66 PER CENT. OF THE ISSUED SHARE CAPITAL OF CHINA PRIMARY RESOURCES HOLDINGS LIMITED

(2) PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES

AND

(3) RESUMPTION OF TRADING

Conditional sale and purchase of an aggregate of approximately 12.66 per cent. of the issued share capital of CPR

On 29th May, 2007, Super Grand (a direct wholly-owned subsidiary of the Company) entered into:-

- (i) the Siberian Agreement with Siberian, pursuant to which Siberian has conditionally agreed to sell and Super Grand has conditionally agreed to purchase the Siberian Sale Shares (being 304,290,200 CPR Shares), representing approximately 4.46 per cent. of the issued share capital of CPR as at the date of this announcement, for a consideration of HK\$115,630,275.24;
- (ii) the Asia Bright Agreement with Asia Bright, pursuant to which Asia Bright has conditionally agreed to sell and Super Grand has conditionally agreed to purchase the Asia Bright Sale Shares (being 286,123,640 CPR Shares), representing approximately 4.20 per cent. of the issued share capital of CPR as at the date of this announcement, for a consideration of HK\$108,726,982.44; and
- (iii) the First South Agreement with First South, pursuant to which First South has conditionally agreed to sell and Super Grand has conditionally agreed to purchase the First South Sale Shares (being 272,498,680 CPR Shares), representing approximately 4.00 per cent. of the issued share capital of CPR as at the date of this announcement, for a consideration of HK\$103,549,498.00.

The Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares together represent approximately 12.66 per cent. of the issued share capital of CPR as at the date of this announcement.

Completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares are each conditional upon fulfilment of a number of conditions precedent. There will not be any completion, unless completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares all take place at the same time.

Following completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares, CPR will be owned as to approximately 12.66 per cent. by Super Grand.

The transactions contemplated in the Agreements together constitute a discloseable transaction for the Company, on the basis that the calculation of the consideration, revenue and equity capital ratios are all within the range of 5 per cent. and 25 per cent.

The sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares are all conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares and the CPR Shares.

Proposed grant of specific mandate to issue shares

Under the Siberian Agreement, the Asia Bright Agreement and the First South Agreement, the Company will issue the Siberian Consideration Shares, the Asia Bright Consideration Shares and the First South Consideration Shares to Siberian, Asia Bright and First South, respectively, as settlement for the relevant consideration. The Consideration Shares (being an aggregate of 287,637,505 new Shares) represents approximately 8.65 per cent. of the existing issued share capital of the Company and approximately 7.96 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Consideration Shares will rank pari passu with all the then existing issued Shares.

The Company will seek the grant of a specific mandate from the shareholders of the Company at a special general meeting to allot and issue Shares to satisfy the allotment and issue of the Consideration Shares.

General

The Company will despatch a circular which contains, amongst other things, details of the terms of the Siberian Agreement, the Asia Bright Agreement, and the First South Agreement and the proposal for the grant of specific mandate and a notice to convene a special general meeting to approve the proposal for the grant of specific mandate.

Resumption of trading

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 30th May, 2007 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:30 a.m. on 1st June, 2007.

INTRODUCTION

The Directors are pleased to announce that on 29th May, 2007, Super Grand (a direct wholly-owned subsidiary of the Company) entered into:-

- (i) the Siberian Agreement with Siberian, pursuant to which Siberian has conditionally agreed to sell and Super Grand has conditionally agreed to purchase the Siberian Sale Shares (being 304,290,200 CPR Shares), representing approximately 4.46 per cent. of the issued share capital of CPR as at the date of this announcement, for a consideration of HK\$115,630,275.24;
- (ii) the Asia Bright Agreement with Asia Bright, pursuant to which Asia Bright has conditionally agreed to sell and Super Grand has conditionally agreed to purchase the Asia Bright Sale Shares (being 286,123,640 CPR Shares), representing approximately 4.20 per cent. of the issued share capital of CPR as at the date of this announcement, for a consideration of HK\$108,726,982.44; and
- (iii) the First South Agreement with First South, pursuant to which First South has conditionally agreed to sell and Super Grand has conditionally agreed to purchase the First South Sale Shares (being 272,498,680 CPR Shares), representing approximately 4.00 per cent. of the issued share capital of CPR as at the date of this announcement, for a consideration of HK\$103,549,498.00.

The Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares together represent approximately 12.66 per cent. of the issued share capital of CPR as at the date of this announcement.

Following completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares, CPR will be owned as to approximately 12.66 per cent. by Super Grand.

THE SIBERIAN AGREEMENT

Date

29th May, 2007.

Parties

- (1) Siberian as vendor.
- (2) Charlie Lam Leung Seng as guarantor.
- (3) Super Grand as purchaser.

To the best of the Directors' knowledge, Siberian and its ultimate owners are independent third parties not connected with the Company, Asia Bright, First South, any of their respective subsidiaries or any of their respective associates, or any of the connected persons of the Company, Asia Bright, First South, any of their respective subsidiaries or any of their respective associates.

The Siberian Sale Shares

The Siberian Sale Shares (being 304,290,200 CPR Shares) represent approximately 4.46 per cent. of the issued share capital of CPR as at the date of this announcement. The Siberian Sale Shares will be acquired free from any encumbrance and together with all rights and benefits attaching or accruing to it on or after the date of the Siberian Agreement.

Siberian has given certain representations and warranties in relation to Siberian Sale Shares and Charlie Lam Leung Seng

has agreed unconditionally and irrevocably to guarantee to Super Grand the due and punctual performance of the obligations of Siberian pursuant to the Siberian Agreement.

Consideration

The consideration for the sale and purchase of the Siberian Sale Shares is HK\$115,630,275.24. The consideration will be settled by way of the issue by the Company of the Siberian Consideration Shares (being 101,430,066 new Shares) on completion of the sale and purchase of the Siberian Sale Shares (being one new Share for every three Siberian Sale Shares).

The market value of the Siberian Consideration Shares is HK\$115,630,275.24 by reference to the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement.

The market value per share of the Siberian Consideration Shares to be issued by the Company represents:-

- (i) the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement;
- (ii) a premium of approximately 7.34 per cent. over the average closing price of HK\$1.062 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before the date of this announcement;
- (iii) a premium of approximately 7.75 per cent. over the average closing price of HK\$1.058 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the date of this announcement; and

- (iv) a premium of approximately 1.007 per cent. over the net asset value of HK\$0.103 per Share as stated in the audited consolidated accounts of the Company for the year ended 31st December, 2006.

As at the date of this announcement, the Siberian Consideration Shares represent approximately 3.05 per cent. of the existing issued share capital of the Company and approximately 2.81 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The consideration (effectively HK\$0.38 per Siberian Sale Share) was arrived at after arm's length negotiations between Siberian and Super Grand by reference to historical performance of the prices of the CPR Shares and represents:-

- (i) a discount of approximately 18.28 per cent. to the closing price of HK\$0.465 per CPR Share as quoted on the Stock Exchange on the last trading day of the CPR Shares immediately before the date of this announcement;
- (ii) a discount of approximately 11.42 per cent. to the average closing price of HK\$0.429 per CPR Share as quoted on the Stock Exchange for the last five trading days of the CPR Shares immediately before the date of this announcement;
- (iii) a premium of approximately 1.88 per cent. over the average closing price of HK\$0.373 per CPR Share as quoted on the Stock Exchange for the last ten trading days of the CPR Shares immediately before the date of this announcement; and
- (iv) a premium of approximately 1,420 per cent. over the net asset value of HK\$0.025 per CPR Share as stated in the audited consolidated accounts of CPR for the year ended 31st December, 2006.

Siberian has undertaken that, at any time within six months from completion of the sale and purchase of the Siberian Sale Shares, it:-

- (i) may create, effect or suffer any disposal of or any encumbrance over, or (where applicable) permit the registered holder to create, effect or suffer any disposal of or any encumbrance over, only up to 50 per cent. of the Siberian Consideration Shares (or any direct or indirect interest in them or any of the rights or economic benefits attaching to them), subject to the written approval of Super Grand; and
- (ii) will not create, effect or suffer any disposal of or any encumbrance over, or (where applicable) permit the registered holder to create, effect or suffer any disposal of or any encumbrance over, any of the remaining 50 per cent. of the Siberian Consideration Shares (or any direct or indirect interest in them or any of the rights or economic benefits attaching to them).

The restrictions mentioned in above paragraphs will cease to have effect from the day following the expiration of six months from the date of completion of the sale and purchase of the Siberian Sale Shares.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or any other securities.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, the Siberian Consideration Shares.

Conditions

Completion of the sale and purchase of the Siberian Sale Shares is conditional upon fulfilment of a number of conditions, in particular:-

- (i) the Siberian Sale Shares being free from any encumbrance as of completion of the sale and purchase of the Siberian Sale Shares;
- (ii) the representations and warranties under the Siberian Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Siberian Agreement and as of completion of the sale and purchase of the Siberian Sale Shares, and as if given at all times between the date of the Siberian Agreement and completion of the sale and purchase of the Siberian Sale Shares;
- (iii) Siberian having complied in full with the obligations under the Siberian Agreement and otherwise having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by it under the Siberian Agreement on or prior to completion of the sale and purchase of the Siberian Sale Shares;
- (iv) all approval, authorisation, consent, licence, certificate, permit, concession, agreement or other permission of any kind of, from or by any governmental authority, regulatory body or any other third party necessary or desirable for the consummation of the transactions contemplated in the Siberian Agreement having been obtained by Siberian and CPR and remaining in full force and effect;
- (v) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on:-
- (a) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of CPR or of its subsidiaries; or
- (b) the ability of Siberian to perform or observe any of its obligations, undertakings or covenants under the Siberian Agreement;
- (vi) there being no applicable law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Siberian Agreement;

- (vii) there being no bona fide proceedings in effect, pending or genuinely threatened as of completion of the sale and purchase of the Siberian Sale Shares before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the Siberian Agreement;

- (viii) CPR retaining its listed status, with the trading in its shares not having been suspended from listing, other than for suspensions of a routine nature, including (without limitation) any suspension relating to the transactions and matters contemplated referred to in the Siberian Agreement;

- (ix) compliance by the Company with all applicable disclosure and shareholders' approval requirements under the Listing Rules (in particular the shareholders' approval of the grant of the specific mandate to issue the Consideration Shares);

- (x) listing of and permission to deal in the Siberian Consideration Shares having been granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked prior to completion of the sale and purchase of the Siberian Sale Shares); and

- (xi) completion, to the satisfaction of Super Grand, of all transactions contemplated in the announcement issued by CPR on 9th January, 2007 (subsequently amended by an announcement issued by CPR on 2nd February, 2007) in relation to an acquisition of 22.28% interest in a mining company by CPR.

Siberian will use its best endeavours to fulfil, or procure the fulfilment of, conditions (i) to (xi). If any of the conditions (except for conditions (ix) and (x)) is not fulfilled (or waived by Super Grand, except for conditions (viii), (ix) and (x) which cannot be waived) on or before 31st December, 2007 (or such later date as may be agreed by Super Grand and Siberian in writing), no party will be obliged to proceed to completion of the sale and purchase of the Siberian Sale Shares, whereupon the Siberian Agreement will cease to be of any force or effect.

The sale and purchase of the Siberian Sale Shares is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares.

Completion

Subject to fulfilment of the conditions set out in the Siberian Agreement, completion of the sale and purchase of the Siberian Sale Shares will take place on or before 31st December, 2007 (or such other date as may be agreed by Super Grand and Siberian in writing).

There will not be any completion, unless completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares take place at the same time.

THE ASIA BRIGHT AGREEMENT

Date

29th May, 2007.

Parties

- (1) Asia Bright as vendor.
- (2) Zhang Yuhong as guarantor.
- (3) Super Grand as purchaser.

To the best of the Directors' knowledge, Asia Bright and its ultimate owners are independent third parties not connected with the Company, Siberian, First South, any of their respective subsidiaries or any of their respective associates, or any of the connected persons of the Company, Siberian, First South, any of their respective subsidiaries or any of their respective associates.

The Asia Bright Sale Shares

The Asia Bright Sale Shares (being 286,123,640 CPR Shares) represent approximately 4.20 per cent. of the issued share capital of CPR as at the date of this announcement. The Asia Bright Sale Shares will be acquired free from any encumbrance and together with all rights and benefits attaching or accruing to it on or after the date of the Asia Bright Agreement.

Asia Bright has given certain representations and warranties in relation to Asia Bright Sale Shares and Zhang Yuhong has agreed unconditionally and irrevocably to guarantee to Super Grand the due and punctual performance of the obligations of Asia Bright pursuant to the Asia Bright Agreement.

Consideration

The consideration for the sale and purchase of the Asia Bright Sale Shares is HK\$108,726,982.44. The consideration will be settled by way of the issue by the Company of the Asia Bright Consideration Shares (being 95,374,546 new Shares) on completion of the sale and purchase of the Asia Bright Sale Shares (being one new Share for every three Asia Bright Sale Shares).

The market value of the Asia Bright Consideration Shares is HK\$108,726,982.44 by reference to the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement.

The market value per share of the Asia Bright Consideration Shares to be issued by the Company represents:-

- (i) the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement;

- (ii) a premium of approximately 7.34 per cent. over the average closing price of HK\$1.062 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before the date of this announcement;

- (iii) a premium of approximately 7.75 per cent. over the average closing price of HK\$1.058 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the date of this announcement; and

- (iv) a premium of approximately 1,007 per cent. over the net asset value of HK\$0.103 per Share as stated in the audited consolidated accounts of the Company for the year ended 31st December, 2006.

As at the date of this announcement, the Asia Bright Consideration Shares represent approximately 2.87 per cent. of the existing issued share capital of the Company and approximately 2.64 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The consideration (effectively HK\$0.38 per Asia Bright Sale Share) was arrived at after arm's length negotiations between Asia Bright and Super Grand by reference to historical performance of the prices of the CPR Shares and represents:-

- (i) a discount of approximately 18.28 per cent. to the closing price of HK\$0.465 per CPR Share as quoted on the Stock Exchange on the last trading day of the CPR Shares immediately before the date of this announcement;
- (ii) a discount of approximately 11.42 per cent. to the average closing price of HK\$0.429 per CPR Share as quoted on the Stock Exchange for the last five trading days of the CPR Shares immediately before the date of this announcement;
- (iii) a premium of approximately 1.88 per cent. over the average closing price of HK\$0.373 per CPR Share as quoted on the Stock Exchange for the last ten trading days of the CPR Shares immediately before the date of this announcement; and
- (iv) a premium of approximately 1,420 per cent. over the net asset value of HK\$0.025 per CPR Share as stated in the audited consolidated accounts of CPR for the year ended 31st December, 2006.

Asia Bright has undertaken that, at any time within six months from completion of the sale and purchase of the Asia Bright Sale Shares, it:-

- (i) may create, effect or suffer any disposal of or any encumbrance over, or (where applicable) permit the registered holder to create, effect or suffer any disposal of or any Encumbrance over, only up to 50 per cent. of the Asia Bright Consideration Shares (or any direct or indirect interest in them or any of the rights or economic benefits attaching to them), subject to the written approval of Super Grand; and
- (ii) will not create, effect or suffer any disposal of or any encumbrance over, or (where applicable) permit the registered holder to create, effect or suffer any disposal of or any encumbrance over, any of the remaining 50 per cent. of the Asia Bright Consideration Shares (or any direct or indirect interest in them or any of the rights or economic benefits attaching to them).

The restrictions mentioned in above paragraphs will cease to have effect from the day following the expiration of six months from the date of completion of the sale and purchase of the Asia Bright Sale Shares.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or any other securities.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, the Asia Bright Consideration Shares.

Conditions

Completion of the sale and purchase of the Asia Bright Sale Shares is conditional upon fulfilment of a number of conditions, in particular:-

- (i) the Asia Bright Sale Shares being free from any encumbrance as of completion of the sale and purchase of the Asia Bright Sale Shares;
- (ii) the representations and warranties under the Asia Bright Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Asia Bright Agreement and as of completion of the sale and purchase of the Asia Bright Sale Shares, and as if given at all times between the date of the Asia Bright Agreement and completion of the sale and purchase of the Asia Bright Sale Shares;
- (iii) Asia Bright having complied in full with the obligations under the Asia Bright Agreement and otherwise having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by it under the Asia Bright Agreement on or prior to completion of the sale and purchase of the Asia Bright Sale Shares;
- (iv) all approval, authorisation, consent, licence, certificate, permit, concession, agreement or other permission of any kind of, from or by any governmental authority, regulatory body or any other third party necessary or desirable for the consummation of the transactions contemplated in the Asia Bright Agreement having been obtained by Asia Bright and CPR and remaining in full force and effect;
- (v) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on:-
- (a) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of CPR or of its subsidiaries; or

- (b) the ability of Asia Bright to perform or observe any of its obligations, undertakings or covenants under the Asia Bright Agreement;
- (vi) there being no applicable law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Asia Bright Agreement;
- (vii) there being no bona fide proceedings in effect, pending or genuinely threatened as of completion of the sale and purchase of the Asia Bright Sale Shares before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the Asia Bright Agreement;
- (viii) CPR retaining its listed status, with the trading in its shares not having been suspended from listing, other than for suspensions of a routine nature, including (without limitation) any suspension relating to the transactions and matters contemplated referred to in the Asia Bright Agreement;
- (ix) compliance by the Company with all applicable disclosure and shareholders' approval requirements under the Listing Rules (in particular the shareholders' approval of the grant of the specific mandate to issue the Consideration Shares);
- (x) listing of and permission to deal in the Asia Bright Consideration Shares having been granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked prior to completion of the sale and purchase of the Asia Bright Sale Shares); and
- (xi) completion, to the satisfaction of Super Grand, of all transactions contemplated in the announcement issued by CPR on 9th January, 2007 (subsequently amended by an announcement issued by CPR on 2nd February, 2007) in relation to an acquisition of 22.28% interest in a mining company by CPR.

Asia Bright will use its best endeavours to fulfil, or procure the fulfilment of, conditions (i) to (xi). If any of the conditions (except for conditions (ix) and (x)) is not fulfilled (or waived by Super Grand, except for conditions (viii), (ix) and (x) which cannot be waived) on or before 31st December, 2007 (or such later date as may be agreed by Super Grand and Asia Bright in writing), no party will be obliged to proceed to completion of the sale and purchase of the Asia Bright Sale Shares, whereupon the Asia Bright Agreement will cease to be of any force or effect.

The sale and purchase of the Asia Bright Sale Shares is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares.

Completion

Subject to fulfilment of the conditions set out in the Asia Bright Agreement, completion of the sale and purchase of the Asia Bright Sale Shares will take place on or before 31st December, 2007 (or such other date as may be agreed by Super Grand and Asia Bright in writing).

There will not be any completion, unless completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares take place at the same time.

THE FIRST SOUTH AGREEMENT

Date

29th May, 2007.

Parties

- (1) First South as vendor.
- (2) Mai Wei Liang as guarantor.
- (3) Super Grand as purchaser.

To the best of the Directors' knowledge, First South and its ultimate owners are independent third parties not connected with the Company, Siberian, Asia Bright, any of their respective subsidiaries or any of their respective associates, or any of the connected persons of the Company, Siberian, Asia Bright, any of their respective subsidiaries or any of their respective associates.

The First South Sale Shares

The First South Sale Shares (being 272,498,680 CPR Shares) represent approximately 4.00 per cent. of the issued share capital of CPR as at the date of this announcement. The First South Sale Shares will be acquired free from any encumbrance and together with all rights and benefits attaching or accruing to it on or after the date of the First South Agreement.

First South has given certain representations and warranties in relation to First South Sale Shares and Mai Wei Liang has agreed unconditionally and irrevocably to guarantee to Super Grand the due and punctual performance of the obligations of First South pursuant to the First South Agreement.

Consideration

The consideration for the sale and purchase of the First South Sale Shares is HK\$103,549,498.00. The consideration will be settled by way of the issue by the Company of the First South Consideration Shares (being 90,832,893 new Shares) on completion of the sale and purchase of the First South Sale Shares (being one new Share for every three First South Sale Shares).

The market value of the First South Consideration Shares is HK\$103,549,498.00 by reference to the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement.

The market value per share of the First South Consideration Shares to be issued by the Company represents:-

- (i) the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement;
- (ii) a premium of approximately 7.34 per cent. over the average closing price of HK\$1.062 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the date of this announcement;
- (iii) a premium of approximately 7.75 per cent. over the average closing price of HK\$1.058 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the date of this announcement; and
- (iv) a premium of approximately 1.007 per cent. over the net asset value of HK\$0.103 per Share as stated in the audited consolidated accounts of the Company for the year ended 31st December, 2006.

As at the date of this announcement, the First South Consideration Shares represent approximately 2.73 per cent. of the existing issued share capital of the Company and approximately 2.51 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The consideration (effectively HK\$0.38 per First South Sale Share) was arrived at after arm's length negotiations between First South and Super Grand by reference to historical performance of the prices of the CPR Shares and represents:-

- (i) a discount of approximately 18.28 per cent. to the closing price of HK\$0.465 per CPR Share as quoted on the Stock Exchange on the last trading day of the CPR Shares immediately before the date of this announcement;
- (ii) a discount of approximately 11.42 per cent. to the average closing price of HK\$0.429 per CPR Share as quoted on the Stock Exchange for the last five trading days of the CPR Shares immediately before the date of this announcement;
- (iii) a premium of approximately 1.88 per cent. over the average closing price of HK\$0.373 per CPR Share as quoted on the Stock Exchange for the last ten trading days of the CPR Shares immediately before the date of this announcement; and
- (iv) a premium of approximately 1,420 per cent. over the net asset value of HK\$0.025 per CPR Share as stated in the audited consolidated accounts of CPR for the year ended 31st December, 2006.

First South has undertaken that, at any time within six months from completion of the sale and purchase of the First South Sale Shares, it:-

- (i) may create, effect or suffer any disposal of or any encumbrance over, or (where applicable) permit the registered holder to create, effect or suffer any disposal of or any Encumbrance over, only up to 50 per cent. of the First South Consideration Shares (or any direct or indirect interest in them or any of the rights or economic benefits attaching to them), subject to the written approval of Super Grand; and
- (ii) will not create, effect or suffer any disposal of or any encumbrance over, or (where applicable) permit the registered holder to create, effect or suffer any disposal of or any encumbrance over, any of the remaining 50 per cent. of the First South Consideration Shares (or any direct or indirect interest in them or any of the rights or economic benefits attaching to them).

The restrictions mentioned in above paragraphs will cease to have effect from the day following the expiration of six months from the date of completion of the sale and purchase of the First South Sale Shares.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or any other securities.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, the First South Consideration Shares.

Conditions

Completion of the sale and purchase of the First South Sale Shares is conditional upon fulfilment of a number of conditions, in particular:-

- (i) the First South Sale Shares being free from any encumbrance as of completion of the sale and purchase of the First South Sale Shares;
- (ii) the representations and warranties under the First South Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the First South Agreement and as of completion of the sale and purchase of the First South Sale Shares, and as if given at all times between the date of the First South Agreement and completion of the sale and purchase of the First South Sale Shares;
- (iii) First South having complied in full with the obligations under the First South Agreement and otherwise having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by it under the First South Agreement on or prior to completion of the sale and purchase of the First South Sale Shares;
- (iv) all approval, authorisation, consent, licence, certificate, permit, concession, agreement or other permission of any kind of, from or by any governmental authority, regulatory

body or any other third party necessary or desirable for the consummation of the transactions contemplated in the First South Agreement having been obtained by First South and CPR and remaining in full force and effect;

- (v) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on:-
- (a) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of CPR or of its subsidiaries; or
 - (b) the ability of First South to perform or observe any of its obligations, undertakings or covenants under the First South Agreement;
- (vi) there being no applicable law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the First South Agreement;
- (vii) there being no bona fide proceedings in effect, pending or genuinely threatened as of completion of the sale and purchase of the First South Sale Shares before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the First South Agreement;
- (viii) CPR retaining its listed status, with the trading in its shares not having been suspended from listing, other than for suspensions of a routine nature, including (without limitation) any suspension relating to the transactions and matters contemplated referred to in the First South Agreement;
- (ix) compliance by the Company with all applicable disclosure and shareholders' approval requirements under the Listing Rules (in particular the shareholders' approval of the grant of the specific mandate to issue the Consideration Shares);
- (x) listing of and permission to deal in the First South Consideration Shares having been granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked prior to completion of the sale and purchase of the First South Sale Shares); and
- (xi) completion, to the satisfaction of Super Grand, of all transactions contemplated in the announcement issued by CPR on 9th January, 2007 (subsequently amended by an announcement issued by CPR on 2nd February, 2007) in relation to an acquisition of 22.28% interest in a mining company by CPR.

First South will use its best endeavours to fulfil, or procure the fulfilment of, conditions (i) to (xi). If any of the conditions (except for conditions (ix) and (x)) is not fulfilled (or waived by Super Grand, except for conditions (viii), (ix) and (x) which cannot be waived) on or before 31st December, 2007 (or such later date as may be agreed by Super Grand and First South in writing), no party will be obliged to proceed to completion of the sale and purchase of the First South Sale Shares, whereupon the First South Agreement will cease to be of any force or effect.

The sale and purchase of the First South Sale Shares is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares.

Completion

Subject to fulfilment of the conditions set out in the First South Agreement, completion of the sale and purchase of the First South Sale Shares will take place on or before 31st December, 2007 (or such other date as may be agreed by Super Grand and First South in writing).

There will not be any completion, unless completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares take place at the same time.

EFFECT OF THE ISSUE OF THE CONSIDERATION SHARES

The shareholding structure of the Company immediately before the issue of the Consideration Shares and immediately after completion of the issue of the Consideration Shares are and will be as follows:

Name	Approximate shareholding in the Company			
	Immediately before the issue of the Consideration Shares		Immediately after the issue of the Consideration Shares	
	Number of Shares	Percentage	Number of Shares	Percentage
Profit Harbour Investments Limited ("Profit Harbour") (Note 1)	593,399,602	17.84	593,399,602	16.42
Shougang Holding (Hong Kong) Limited ("Shougang") (Note 2)	800,000,000	24.06	800,000,000	22.14
Chong Sok Un (Notes 3)	559,900,000	16.84	559,900,000	15.50
Siberian	—	—	101,430,066	2.81
Asia Bright	—	—	95,374,546	2.64
First South	—	—	90,832,893	2.51
Public	1,372,409,561	41.26	1,372,409,561	37.98
Total	3,325,709,163	100.00	3,613,346,668	100.00

Notes:

1. The entire issued share capital of Profit Harbour is owned by Mr. Yue Jialin

P.4

- This represented an interest in 800,000,000 Shares held by Benefit Rich Limited, a wholly-owned subsidiary of Shougang.
- This represented an interest in 559,900,000 Shares held by various holding companies, directly or indirectly owned by Ms Chong Sok Un and her associates as at the date of this announcement.

INFORMATION ABOUT SIBERIAN

The Directors are advised that Siberian is a company incorporated in the B.V.I. with limited liability. It is engaged principally in investment holding.

To the best of the Directors' knowledge, Siberian and its ultimate owners are independent third parties not connected with the Company, Asia Bright, First South, any of their respective subsidiaries or any of their respective associates, or any of the connected persons of the Company, Asia Bright, First South, any of their respective subsidiaries or any of their respective associates.

INFORMATION ABOUT ASIA BRIGHT

The Directors are advised that Asia Bright is a company incorporated in the B.V.I. with limited liability. It is engaged principally in investment holding.

To the best of the Directors' knowledge, Asia Bright and its ultimate owners are independent third parties not connected with the Company, Siberian, First South, any of their respective subsidiaries or any of their respective associates, or any of the connected persons of the Company, Siberian, First South, any of their respective subsidiaries or any of their respective associates.

INFORMATION ABOUT FIRST SOUTH

The Directors are advised that First South is a company incorporated in the B.V.I. with limited liability. It is engaged principally in investment holding.

To the best of the Directors' knowledge, First South and its ultimate owners are independent third parties not connected with the Company, Siberian, Asia Bright, any of their respective subsidiaries or any of their respective associates, or any of the connected persons of the Company, Siberian, Asia Bright, any of their respective subsidiaries or any of their respective associates.

INFORMATION ABOUT THE GROUP

The Company is a company incorporated in Bermuda with limited liability. Its securities are listed on the Main Board of the Stock Exchange.

The Group is principally engaged in (i) trading in base metals and commodities trading portfolio primarily focused on natural resources and related sectors; and (ii) trading in fabric products and other merchandises with investment in the resources and related industries and listed securities as trading portfolio.

INFORMATION ABOUT SUPER GRAND

Super Grand is a company incorporated in the B.V.I. with limited liability. The principal business activity of Super Grand is investment holding.

Super Grand is a direct wholly-owned subsidiary of the Company.

INFORMATION OF CPR

CPR is a company incorporated in the Cayman Islands with limited liability. Its securities are listed on the Growth Enterprise Market of the Stock Exchange.

CPR is principally engaged in the business of general trading and production of fibre glass reinforced plastic pipes in the People's Republic of China and provision of internet game services in Hong Kong.

Following completion of all the transactions contemplated in the announcement issued by CPR on 9th January, 2007 (subsequently amended by an announcement issued by CPR on 2nd February, 2007), CPR will have a 22.28% interest in a mining company.

SUMMARY OF FINANCIAL RESULTS OF CPR

A summary of the audited results of CPR for the two years ended 31st December, 2005 and 31st December, 2006 are as follows:-

	Year ended	
	31st December, 2006	2005
	HK\$'000	HK\$'000
Turnover	34,731	24,389
Profit/(loss) before tax	(5,876)	23,401
Profit/(loss) for the year	(5,993)	23,382
Profit/(loss) attributable to the equity holders of CPR	<u>(5,938)</u>	<u>23,382</u>

The audited net asset value of CPR as at 31st December, 2006 was approximately HK\$167,612,000.

No dividends had been declared by CPR in the past three years.

REASONS FOR AND BENEFITS OF SALE AND PURCHASE OF THE SIBERIAN SALE SHARES, ASIA BRIGHT SALE SHARES AND FIRST SOUTH SALE SHARES

The Company has sought and will continue to seek to become a significant natural resources trading and investment company through the identification, evaluation and acquisition of strategic interests in quality natural resources assets (either indirectly through investment in, and support of, resource corporations or by direct investment in mineral projects) as a means to build an extensive portfolio of long term cash generating investments. This is to enhance the Company's value in the context of natural resources industry consolidation and

rationalisation where the Directors believe value can be maximised for all concerned stakeholders. The Company is still on the lookout for good investment opportunities to maximise return for the shareholders.

Following completion of all the transactions contemplated in the announcement issued by CPR on 9th January, 2007 (subsequently amended by an announcement issued by CPR on 2nd February, 2007), CPR will have a 22.28% interest in a mining company. The sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares are thus consistent with the strategy of the Company of exploring geographic regions and commodity markets which it believes present attractive opportunities and where rationalisation and consolidation is likely to occur. As a result of CPR becoming interested in 22.28% of a mining company, the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares are anticipated to produce a higher return on assets with increase in profit and value of the Company to the benefit of the shareholders as a whole. Upon completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares, each of Siberian, Asia Bright and First South will procure a member of the Company to sit on the board of directors of CPR.

Following the completion of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares, the Group will hold the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares as strategic investments, which will be classified in the accounts as "Available for Sale Financial Assets" as defined under the Hong Kong Accounting Standards HKAS39 issued by Hong Kong Institute of Certified Public Accountants.

Having regard to the nature of and the benefits resulting from the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares and in view of the current market conditions, the Directors believe that the terms of the sale and purchase of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares are fair and reasonable and in the interests of the shareholders taken as a whole. It represents a good opportunity for the Company to increase its investment further in the natural resources industry upon which to build a significant investment and commodities trading company primarily focused on the natural resources and related sectors.

Net consolidated profits/(losses) attributable to the aggregate of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares for the two financial years ended 31st December, 2006 were:-

- approximately HK\$2,963,000 (before taxation and extraordinary items) or approximately HK\$2,960,000 (after taxation and extraordinary items) for the financial year ended 31st December, 2005; and
- approximately HK\$(744,000) (before taxation and extraordinary items) or approximately HK\$(759,000) (after taxation and extraordinary items) for the financial year ended 31st December, 2006.

As at 31st December, 2006, the consolidated net book value attributable to the aggregate of the Siberian Sale Shares, the Asia Bright Sale Shares and the First South Sale Shares was HK\$21,220,000.

LISTING RULES IMPLICATIONS

The transactions contemplated in the Agreements together constitute a discloseable transaction for the Company, on the basis that the calculation of the consideration, revenue and equity capital ratios are all within the range of 5 per cent. and 25 per cent.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES

Under the Siberian Agreement, the Asia Bright Agreement and the First South Agreement, the Company will issue the Siberian Consideration Shares, the Asia Bright Consideration Shares and the First South Consideration Shares to Siberian, Asia Bright and First South, respectively, as settlement for the relevant consideration. The Consideration Shares (being an aggregate of 287,637,505 new Shares) represents approximately 8.65 per cent. of the existing issued share capital of the Company and approximately 7.96 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Consideration Shares will rank pari passu with all the then existing issued Shares.

The Company will seek the grant of a specific mandate from the shareholders of the Company at a special general meeting to allot and issue Shares to satisfy the allotment and issue of the Consideration Shares.

REASONS FOR THE UNUSUAL PRICE MOVEMENT AND TRADING VOLUME

The Directors have noted the increase in the price and trading volume of the Shares on 29th May, 2007.

Except as disclosed in this announcement, the Directors are not aware of any reasons for such decrease in the price and increase in the trading volume and the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules. The board of Directors is also not aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

GENERAL

The Company will despatch a circular which contains, amongst other things, details of the terms of the Siberian Agreement, the Asia Bright Agreement, and the First South Agreement and the proposal for the grant of specific mandate and a notice to convene a special general meeting to approve the proposal for the grant of specific mandate.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 30th May, 2007 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:30 a.m. on 1st June, 2007.

DEFINITIONS

"Agreements"	the Siberian Agreement, the Asia Bright Agreement and the First South Agreement
"Asia Bright"	Asia Bright International Limited, a company incorporated in the B.V.I. with limited liability
"Asia Bright Consideration Shares"	95,374,546 new Shares
"Asia Bright Agreement"	the agreement for sale and purchase dated 29th May, 2007 entered into between Asia Bright, Zhang Yuhong and Super Grand, with respect to the sale and purchase of the Asia Bright Sale Shares (representing 4.20 per cent. of the issued share capital of CPR as at the date of this announcement)
"Asia Bright Sale Shares"	286,123,640 CPR Shares, representing 4.20 per cent. of the issued share capital of CPR as at the date of this announcement
"associates"	having the meaning ascribed to it under the Listing Rules
"B.V.I."	British Virgin Islands
"CPR"	China Primary Resources Holdings Limited, a company incorporated in the Cayman Islands with limited liability, with its shares listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8117)
"CPR Shares"	shares of nominal value of HK\$0.00125 each in the issued share capital of CPR
"Company"	APAC Resources Limited, a company incorporated in Bermuda with limited liability, with its shares listed on the Main Board of the Stock Exchange
"Consideration Shares"	287,637,505 new Shares, being the aggregate of the Siberian Consideration Shares, the Asia Bright Consideration Shares and the First South Consideration Shares
"Directors"	directors of the Company
"First South"	First South International Limited, a company incorporated in the B.V.I. with limited liability
"First South Consideration Shares"	90,832,893 new Shares
"First South Agreement"	the agreement for sale and purchase dated 29th May, 2007 entered into between First South, Mai Wei Liang and Super Grand, with respect to the sale and purchase of the First South Sale Shares (representing 4.00 per cent. of the issued share capital of CPR as at the date of this announcement)
"First South Sale Shares"	272,498,680 CPR Shares, representing 4.00 per cent. of the issued share capital of CPR as at the date of this announcement
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Shares"	ordinary shares of HK\$0.10 each in the share capital of the Company
"Siberian"	Siberian Worldwide Ltd., a company incorporated in the B.V.I. with limited liability
"Siberian Consideration Shares"	101,430,066 new Shares
"Siberian Agreement"	the agreement for sale and purchase dated 29th May, 2007 entered into between Siberian, Charlie Lam Leung Seng and Super Grand, with respect to the sale and purchase of the Siberian Sale Shares (representing 4.46 per cent. of the issued share capital of CPR as at the date of this announcement)
"Siberian Sale Shares"	304,290,200 CPR Shares, representing 4.46 per cent. of the issued share capital of CPR as at the date of this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Super Grand"	Super Grand Investments Limited, a company incorporated in the B.V.I. with limited liability, and a direct wholly-owned subsidiary of the Company

On behalf of the Board
APAC RESOURCES LIMITED
Cao Zhong
Chairman

Hong Kong, 31st May, 2007

As at the date of this announcement, the board of Directors comprises Mr. Cao Zhong (Chairman), Mr. Lau Yau Cheung (Chief Executive Officer), Mr. Yue Jialin, Mr. Michael Joseph Bogue being the executive Directors, Mr. Liu Yongshun, Mr. Zhou Luyong being the non-executive Directors, and Mr. Wong Wing Kuen, Albert, Mr. Tsui Robert Che Kwong and Mr. Yang Weiming being the independent non-executive Directors.

* For identification purpose only