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LAWYERS

13 February 2007

By fax | 23 pages

To Company Announcements Platform  
Australian Stock Exchange Limited  
Fax 1900 999 279

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Sydney NSW 2001T +61 2 9263 4000  
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**Mount Gibson Iron Limited**

Please find enclosed a Form 604 – Notice of change of interests of substantial holder in relation to Mount Gibson Iron Limited.

Yours faithfully  
**Gilbert + Tobin**

A handwritten signature in black ink, appearing to read 'Rachel Launders', written over a horizontal line.

**Rachel Launders**  
Partner  
T +61 2 9263 4143  
rlaunders@gtlaw.com.au

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## Form 604

Corporations Act 2001  
Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme Mount Gibson Iron Limited (Mount Gibson)

ACN/ARSN 008 670 817

## 1. Details of substantial holder (1)

Name APAC Resources Limited (APAC) (formerly Shanghai Merchants Holdings Limited) and the entities listed in Attachment A

ACN/ARSN (if applicable)

There was a change in the interests of the substantial holder on 9 February 2007

The previous notice was given to the company on 8 February 2007

The previous notice was dated 8 February 2007

## 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	129,823,875	16.48%	140,583,521	18.98%

## 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
9/2/07	Fortune Desire Investments Limited (Fortune Desire), APAC, Profit Harbour Investments Limited and Mr Yue Jialin (together Profit Harbour), Shougang Holding (Hong Kong) Limited and Timely Rich Limited (together Timely Rich)	Purchaser of shares under a conditional sale agreement dated 9 February 2007 (a copy of which is Attachment B) (Sale Agreement)	A\$16,791,449.10	19,754,646	19,754,646

letter



Port Harbour and Timely Rich	Merrill Lynch (in respect of 68,225,967), SHKIS (in respect of 48,573,197), Aztec (in respect of 13,229,711) and Timely Rich Limited (in respect of 19,754,848)	Mat Success in respect of 13,229,711 shares held by Aztec and Fortune Doaire in respect of 19,754,848 shares held by Timely Rich Limited	Each is a holder of more than 20% of APAC (Section 608(2)(a))	149,583,521 ordinary shares	149,683,521
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**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and AGNARSEN (if applicable)	Nature of association
N/A	N/A

**6. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
All named persons	C/- APAC Resources Limited, Rooms 2808-10, 28 <sup>th</sup> Floor, 71 Des Voeux Road Central, Hong Kong

**Signature**

print name BRENT LAU Y. C. capacity DIRECTOR

sign here  date 13/2/07

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FORM 604 (REVISED) 1/1 13 March 2000

**Attachment A**

This is attachment A of 1 page, referred to in the Form 604 – Notice of change of interests of substantial holder lodged by APAC Resources Limited dated 13 February 2007 and signed by me.



Brant Lau, C.  
13 February 2007

The substantial holders are the companies and individual noted in items 3 and 4 and the following subsidiaries of APAC Resources Limited

- Asia Cheer Trading Limited
- Sky Joy Management Limited
- Sino Chance Trading Limited
- Park Well International Group Limited
- First Landmark Limited
- Merchants (Hong Kong) Limited
- Rise Cheer Limited
- Chinanght Electronics Limited





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Dated 9<sup>th</sup> February, 2007

- (1) **TIMELY RICH LIMITED**
- (2) **FORTUNE DESIRE INVESTMENTS LIMITED**

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**AGREEMENT FOR SALE AND PURCHASE**

relating to

19,754,646 ordinary shares of  
**MOUNT GIBSON IRON LIMITED**  
*(a company incorporated in Australia with limited liability)*

**P. C. WOO & CO.**  
 Solicitors and Notaries  
 12th Floor, Prince's Building  
 Central, Hong Kong

Ref:101540:HL:LKM:CYL

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THIS AGREEMENT is made the 9<sup>th</sup> day of February 2007

**BETWEEN:-**

- (1) **TIMELY RICH LIMITED**, a company incorporated with limited liability in the Samoa having its registered office at Offshore Chambers, P.O. Box 217, Apia, Samoa (the "Vendor"); and
- (2) **FORTUNE DESIRE INVESTMENTS LIMITED**, a company incorporated with limited liability in the British Virgin Islands and having its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "Purchaser").

**WHEREAS:-**

- (A) As at the date of this Agreement:-
  - (i) the Vendor is the legal and beneficial owner of 19,754,646 ordinary shares of the Company;
  - (ii) the Purchaser is a private company directly and wholly owned by APAC Resources Limited ("APAC") being a listed company with its shares listed on the Main Board of the Hong Kong Stock Exchange.
- (B) The Vendor wishes to sell, and the Purchaser wishes to purchase, the Sale Share on the terms and conditions set out in this Agreement.

**NOW IT IS AGREED as follows:-**

**1. DEFINITIONS AND INTERPRETATION**

- (A) In this Agreement, including the recitals and the Schedules, unless the context otherwise requires, the following terms have the respective meanings set opposite them:-

"ASX"	Australian Stock Exchange;
"Authorisation"	any approval, authorisation, consent, licence, certificate, permit, concession, agreement or other permission of any kind of, from or by any Governmental Authority and regulatory body;
"business day"	a day on which banks in Hong Kong are open for business, other than:-

- (i) a Saturday;
  - (ii) a Sunday; or
  - (iii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
- "CHESS" The Clearing House Electronic Subregister System as operated by Australian Clearing House Pty Ltd;
- "Clearing Rules" the Clearing Rules of CHESS from time to time in force;
- "Company" MOUNT GIBSON IRON LIMITED, a company incorporated under the laws of Australia with limited liability and with its shares listed on ASX (Stock Code : MGOX);
- "Completion" completion of the sale and purchase of the Sale Share pursuant to this Agreement, by the performance by the Parties of the several obligations contained in Clause 4;
- "Conditions" the conditions precedent mentioned in Clause 3(A);
- "Confidential Information" with respect to any person, any know-how, knowledge, technique, design, process, information, data, material, specification, trade secret or other confidential or economic information possessed, developed or acquired by such person for any purpose or in any business or capacity, or in relation to the transactions contemplated in this Agreement;
- "Encumbrance"
- (i) any mortgage, charge, pledge, lien, hypothecation, encumbrance or other security arrangement of any kind;
  - (ii) any option, equity, claim, adverse interest or other third party right of any kind;

	(iii) any arrangement by which any right is subordinated to any right of such third party; or
	(iv) any contractual right of set-off,
	including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above;
"Governmental Authority"	any government (or political subdivision of it), whether on a state, provincial, municipal or local level and whether executive, legislative or judicial in nature, including (without limitation) any agency, authority, board, bureau, commission, court, department or any other instrumentality;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Law"	(i) any law, statute or statutory provision, regulation, rule, constitutional provision, treaty or rule of common law or equity;
	(ii) any order, notice or decree of any Governmental Authority or other matter of any kind having the force of law; or
	(iii) any order, decree, judgment or award of any court, tribunal or arbitrator of a competent jurisdiction;
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Participant"	a person admitted for the time being by Australian Clearing House Pty Ltd as a participant of CHES;
"Party"	any party to this Agreement;

- "Proceedings" any legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, enquiry, investigation or proceedings;
- "Related Company" with respect to a company, any of its holding companies, subsidiaries or associates, or any company which is a subsidiary or associate of any of its holding companies;
- "Relevant Persons"
- (i) with respect to a company, body corporate or legal person, its directors, officers, employees, agents, representatives, consultants and advisers (in each case, whether as an employee, in a professional capacity or otherwise); and
  - (ii) with respect to a person other than a company, body corporate or legal person, its partners, officers, employees, agents, representatives, consultants and advisers (in each case, whether as an employee, in a professional capacity or otherwise);
- "Sale Shares" or each "Sale Share" 19,754,646 ordinary shares, representing approximately 2.5% of the issued share capital of the Company (as at the date hereof);
- "Tax" all forms of taxation (including, with limitation, taxes with respect to income, franchises, windfall, capital gain or other profits, enterprise assets, movable and immovable properties, import or export and ad valorem), tariffs, deductions, withholdings, duties (including, without limitation, custom and estate duties), imposts, levies, fees, charges, social security contributions, assessments, rates or other charges of any kind (together with any and all interest, penalties, additions to tax, inflation or other adjustments and additional amounts imposed with respect to any of them) imposed, levied, collected, withheld or assessed by any Governmental Authority in Hong Kong or Australia or elsewhere;

"Warranties" the representations and warranties contained in Clause 5 and Schedule.

(B) In this Agreement, including the recitals and the Schedule, unless the context otherwise requires:-

- (i) references to "Clauses" and "Schedule" are references to clauses of, and schedule to, this Agreement;
- (ii) references to this Agreement include this Agreement, the Schedule and all other documents executed in accordance with this Agreement and expressed to be supplemental to this Agreement;
- (iii) headings are for convenience only and shall not limit, extend, vary or otherwise affect the construction of any provision of this Agreement;
- (iv) words and expressions importing the singular include the plural and vice versa;
- (v) words and expressions importing one gender include both genders and the neuter, and references to persons include natural persons, bodies corporate or unincorporated, sole proprietorships, partnerships, associations, enterprises, branches and all other forms of organisations and entities;
- (vi) references to a Party include its personal representatives, successors, heirs, beneficiaries, sureties and permitted assigns;
- (vii) where any word or expression is given a defined meaning, any other grammatical form of such word or expression (as the case may be) shall have a corresponding meaning;
- (viii) references to writing include any method of producing or reproducing words in a legible and non-transitory form;
- (ix) references to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date of this Agreement) from time to time and shall include any provision of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such statutory provisions; and
- (x) references to anything which a Party is required to do or not to do shall include its acts, defaults and omissions, whether:-
  - (a) direct or indirect;
  - (b) on its own account; or

(c) for or through any other person,

and shall include acts, defaults and omissions which it permits or suffers to be done or not done by any other person.

(C) The Schedule is part of this Agreement and shall have effect accordingly.

## 2. SALE AND PURCHASE OF THE SALE SHARES

(A) On the terms but subject to the conditions set out in this Agreement, the Vendor as beneficial owner shall sell the Sale Shares and the Purchaser shall purchase the Sale Shares, free from any Encumbrance and together with all rights and benefits attaching or accruing to it on or after the date of this Agreement.

(B) The aggregate consideration for the sale and purchase of the Sale Shares shall be HK\$102,427,839.51 (equivalent to A\$16,791,449.10 or A\$0.85 per Sale Share at an exchange rate of A\$1.00 to HK\$6.10), to be settled:-

- (i) as to HK\$40,971,135.80 (the "Deposit"), payable by the Purchaser to the Vendor or as they may direct upon signing of this Agreement; and
- (ii) as to the balance, payable by the Purchaser to the Vendor (or as it may direct) at the expiry of five business days after the completion of the contemplated transactions of APAC under Clause 3A, provided that the parties hereto may agree to an extension for a further period at such term(s) as agreed by parties hereto.

## 3. CONDITIONS PRECEDENT

(A) Completion shall be conditional upon:-

- (i) the purchase of the Sale Shares by the Purchaser pursuant to the terms of this Agreement being approved by the shareholders of APAC in accordance with all applicable requirements under the Listing Rules; and
- (ii) all necessary Authorisations being obtained and maintained by the Purchaser as a result of the transactions contemplated in this Agreement.

(B) The Purchaser undertakes to the Vendor to use its best endeavour to fulfil, or procure the fulfilment of, the Conditions as soon as practicable and on or before 31 May, 2007 (or such earlier or later date as may be agreed by the Vendor and the Purchaser in writing).

(C) If any of the Conditions is not fulfilled on or before 31 December, 2007 (or such earlier or later date as may be agreed by the Vendor and the Purchaser in writing):-

- (i) no party shall be obliged to proceed to Completion;

- (ii) the Deposit shall be refunded to the Purchaser (without interest) forthwith;
- (iii) the provisions of this Agreement, except Clauses 1, 6, 11, 14, 15 and 16 which shall remain in full force and effect, shall from such date cease to have any effect; and
- (iv) no Party shall have any claim against any of the other Parties, except in respect of:-
  - (a) claims arising out of any antecedent breach of any of the provisions of this Agreement; and
  - (b) claims arising out of the continuing provisions mentioned in paragraph (iii) above.

#### 4. **COMPLETION**

- (A) Completion shall take place at the expiry of five business days after the completion of the contemplated transactions of APAC under Clause 3A (or such earlier or later date as may be agreed by the Vendor and the Purchaser in writing) at the offices of the solicitors for the Purchaser in Hong Kong (or such other place as may be agreed by the Vendor and the Purchaser in writing).
- (B) At Completion, all (but not part only, except where and to the extent as agreed by the Vendor and the Purchaser) of the following business shall be transacted:-
  - (i) the Vendor shall:-
    - (a) procure that its designated Participant gives an irrevocable delivery instruction to effect a book-entry settlement of the Sale Shares in accordance with this Agreement and the Clearing Rules to the credit of the CHESSE stock account(s) of the Participant(s) of the Purchaser as notified to the Vendor by the Purchaser prior to Completion;
    - (b) deliver or procure to be delivered to the Purchaser or as it may direct, evidence of the giving of the delivery instruction as described in paragraph (a) above; and
    - (c) deliver or procure to be delivered to Purchaser certified copy of the resolution of the board of directors of the Vendor authorising the execution and completion of this Agreement;
    - (d) such other documents as may be reasonably required to give a good title to the Sale Shares and to enable the Purchaser to become the registered holder of the Sale Shares;

- (ii) the Purchaser shall (a) make or procure the making of payment, at good fund, to the Vendor (or as they may direct) pursuant to Clause 2(B)(ii). Such payment shall be made by telegraphic transfer to such bank account of the Vendor or such bank account(s) with a licensed bank in Hong Kong as may be notified by the Vendor to the Purchaser and (b) deliver or procure to be delivered to Vendor certified copies of the resolutions of the board of directors of Purchaser and shareholders of APAC authorising the execution and completion of this Agreement and such other documents relating to transactions contemplated hereby as may be reasonably required by Vendor.

## 5. WARRANTIES

- (A) The Vendor acknowledges that the Purchaser has entered into this Agreement in reliance on the Warranties, notwithstanding any information regarding the Company which may otherwise have come into the possession of the Purchaser or which the Purchaser ought to have known or had constructive knowledge of.
- (B) The Vendor, unconditionally and irrevocably, represents and warrants to the Purchaser that except to the extent disclosed to the Purchaser prior to the signing of this Agreement, each of the Warranties is true and accurate and not misleading in any material respect as given as of the date of this Agreement and as of Completion, and as if given at all times between the date of this Agreement and Completion.
- (C) Each of the Warranties is separate and independent, and the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected or determined by any investigation made by the Purchaser or by any other event whatsoever, except with a specific and duly authorised waiver or release by the Purchaser.

## 6. CONFIDENTIALITY

- (A) Each Party shall at all times maintain absolute confidentiality of this Agreement, and shall not disclose any of the contents or existence of this Agreement to any other person (other than to its Relevant Persons in the proper course of their duties) at any time, without the prior consent of all the other Parties in writing.
- (B) Each Party undertakes with each of the other Parties:-
- (i) to hold all Confidential Information received from or provided by the other Party in connection with this Agreement or otherwise as absolute secret;
- (ii) not to disclose or cause, permit or suffer to be disclosed any such Confidential Information to any other person, save where:-



8. **ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement and understanding between the Parties in relation to the transactions contemplated by this Agreement, and supersedes and cancels in all previous letters of intent, correspondence, understandings, agreements and undertakings (if any) between the Parties with respect to the subject matter of this Agreement, whether such be written or oral.

9. **SEVERABILITY**

If at any time one or more of the provisions of this Agreement is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions of this Agreement shall not thereby in any way be affected or impaired.

10. **WAIVER AND OTHER RIGHTS**

- (A) No single or partial exercise of, or failure or omission to exercise or delay in exercising any right, power, claim or remedy vested in any Party under or pursuant to this Agreement or otherwise shall affect, prejudice or constitute a waiver by such Party of such or any other right, power, claim or remedy.
- (B) Any right, power, claim or remedy expressly conferred upon any Party under this Agreement shall be in addition to and without prejudice to all other rights, powers, claims and remedies which would otherwise be available to such Party under this Agreement or at law.

11. **NOTICES**

- (A) Any notice, demand or other communication to be given by a Party to any other Party under this Agreement shall be in writing, and shall be deemed duly served if-
- (i) delivered personally;
  - (ii) sent by prepaid registered post; or
  - (iii) sent by facsimile transmission,

to the address or facsimile number (as the case may be) of such other Party previously in writing notified to the Party serving the same (and, in the case of any subsequent change of the address or facsimile number, such notification shall be given in accordance with the provisions of this Agreement and shall state in clear terms the intention to change the address or facsimile number, as the case may be).

- (B) A notice, demand or other communication shall be deemed served:-
- (i) if delivered personally, at the time of delivery;
  - (ii) if sent by post, at the expiration of two business days (for local addresses in Hong Kong) or five business days (for any other overseas address) after the envelope containing the same has been delivered into the custody of the postal authorities; and
  - (iii) if sent by facsimile transmission, upon receipt by the Party giving the same of machine printed confirmation of such transmission.
- (C) In proving the service of any notice, demand or other communication, it shall be sufficient to prove that:-
- (i) in the case of personal delivery, the same has been delivered or left at the address, or the postal box of such address, of the Party to be served on;
  - (ii) in the case of a mail, the envelope containing the same has been properly addressed, delivered into the custody of the postal authorities and duly stamped; and
  - (iii) in the case of a facsimile transmission, the same has been duly transmitted to the facsimile number of the Party to be served on.
- (D) For the purposes of this Clause 11, the initial address and facsimile number of each Party are:-

**TIMELY RICH LIMITED**

Address: 7<sup>th</sup> Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road,  
Wan Chai, Hong Kong

Facsimile number : (852) 2861-2832  
For the attention of : The Company Secretary

**FORTUNE DESIRE INVESTMENTS LIMITED**

Address: Rooms 2808-2810, 28<sup>th</sup> Floor, Wing On House, 71 Des Voeux Road  
Central, Hong Kong

Facsimile number : (852) 2541-9133  
For the attention of : Mr. Lau Yau Cheung, Brent

12. **TIME**

Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned in this Agreement and as to any date and period which may by written agreement between or on behalf of the Parties be substituted for them.

13. **ASSIGNMENT**

This Agreement shall be binding on and shall ensure for the benefit of the successors and assignees of the Parties. None of the Parties may assign any of its rights or obligations under this Agreement without the prior consent of the other Parties in writing.

14. **COSTS AND EXPENSES**

Each party shall bear all its own legal and professional fees, respective stamp duty, costs and expenses of and incidental to the negotiation, preparation, execution and completion of this Agreement.

15. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by any Party on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

16. **GOVERNING LAW AND JURISDICTION**

- (A) This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong.
- (B) The Parties submit to the non-exclusive jurisdiction of the courts of Hong Kong.
- (C) The Vendor irrevocably appoint Shougang Holding (Hong Kong) Limited at 7<sup>th</sup> Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. Any such legal process shall be sufficiently served on it if delivered to such service agent.

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- (D) If the service agent of any party ceases to be able to act as service agent for any reason or no longer has an address in Hong Kong, a substitute service agent with an address in Hong Kong acceptable to the other parties shall be appointed, and a copy of the substitute service agent's acceptance of such appointment shall be given to the other parties within seven days from the date of such appointment. Prior to the receipt by the other parties of a copy of the substitute service agent's acceptance of appointment or in the event of any failure to appoint a substitute service agent, it shall be effective service for the other parties to serve the process upon the last known address in Hong Kong of the last known service agent for such party notified to the other parties, notwithstanding that such service agent is no longer found at such address or has ceased to act.

**SCHEDULE****The Warranties**

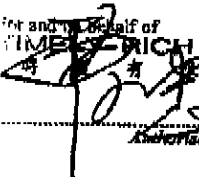
The Vendor hereby warrants and undertakes to and with the Purchaser, that the facts set out in (A) (i) of Recitals hereto and all of the following matters are now and will at Completion be true and accurate:

- (a) the Vendor is duly incorporated and are currently existing as body corporate under the laws of the jurisdiction of its incorporation;
- (b) the Vendor is the beneficial owner of the Sale Shares, and has the right, power and authority to sell and transfer the Sale Shares on the terms of this Agreement without the consent of any third party and free from all charges, liens, encumbrances, equities and other third party claims and interests of any nature whatsoever and with all rights now and hereafter attaching thereto including without limitation the right to all dividends hereafter paid, declared or made in respect thereof; and
- (c) upon delivery of the Sale Shares to the Purchaser in accordance with the terms of this Agreement, good and valid title to the Sale Shares, free and clear of all charges, liens, encumbrances, equities and other third party claims and interests of any nature whatsoever will pass to the Purchaser as beneficial owner.

**EXECUTION PAGE**

IN WITNESS whereof the Parties have executed this Agreement the day and year first above written.

SIGNED by  
*CAD Zhang*  
for and on behalf of  
**TIMELY RICH LIMITED**  
in the presence of:-

for and on behalf of  
**TIMELY RICH LIMITED**  
  
-----  
Authorized Signature(s)



LAM KWOK MING  
Solicitor, Hong Kong SAR  
P. C. WOO & CO.

SIGNED by  
*Lau Yau Cheung*  
for and on behalf of  
**FORTUNE DESIRE INVESTMENTS LIMITED**  
in the presence of:-

for and on behalf of  
**FORTUNE DESIRE INVESTMENTS LIMITED**  
  
-----  
Authorized Signature(s)



LAM KWOK MING  
Solicitor, Hong Kong SAR  
P. C. WOO & CO.