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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)

(Warrant Code: 1074)

**INSIDE INFORMATION
AND
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders, warrant holders and potential investors of the Company that based on the preliminary review of the information currently available of the Group for the 2022 Year, it is expected to record a loss attributable to the Shareholders between HK\$400 million to HK\$480 million as compared to the profit attributable to the Shareholders of approximately HK\$1,357 million for the 2021 Year.

Shareholders, warrant holders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by APAC Resources Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Further to the announcement made by the Company on 6 July 2022 (the “**July Announcement**”), the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”), warrant holders and potential investors of the Company that based on the preliminary review of the information currently available of the Company and its subsidiaries (the “**Group**”) for the year ended 30 June 2022 (the “**2022 Year**”), the annual results of the Group for the 2022 Year are expected to record a loss attributable to the Shareholders between HK\$400 million to HK\$480 million as compared to the profit attributable to the Shareholders of approximately HK\$1,357 million for the year ended 30 June 2021 (the “**2021 Year**”).

The financial results of the Group for the 2022 Year are adversely affected when compared with the financial results of the Group for the 2021 Year due to the followings:

- i. a reversal of impairment loss on interest in an associate of approximately HK\$580 million recorded in the 2021 Year relating to the Group's principal associate listed on the Australian Securities Exchange, Mount Gibson Iron Limited ("MGX") is not recurred in the 2022 Year and in addition, an impairment loss on the Group's investment in MGX incurred in the 2022 Year as explained in the July Announcement;
- ii. a decrease of profit generated from resource investment in the 2022 Year compared to the 2021 Year; and
- iii. share of net loss from associates and a joint venture for the 2022 Year compared to the share of profits from associates of approximately HK\$132 million for the 2021 Year mainly due to the loss incurred by MGX in the 2022 Year.

Nevertheless, the impairment loss per item i above and the share of net loss from associates and a joint venture per item iii above are non-cash items that have not materially affected the cash position and the liquidity of the Group for the 2022 Year.

The information contained in this announcement is only based on a preliminary review of the information currently available to the Board, and is not based on any figures or information which has been audited or reviewed by the independent auditor of the Company nor approved by the audit committee of the Company and therefore the actual results of the Group may be subject to amendments and adjustments where necessary.

The annual results announcement of the Company for the 2022 Year will be published by the Company within the timeframe stipulated under the Listing Rules.

Shareholders, warrant holders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
APAC Resources Limited
Andrew Ferguson
Executive Director

Hong Kong, 7 September 2022

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

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*) and 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 and Ms. Lam Lin Chu

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Wang Hongqian

* *For identification purpose only*