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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 SFO.

The Board wishes to inform the Shareholders, warrant holders and potential investors that based on the preliminary review of the information currently available, it is expected to record a loss attributable to the Shareholders between HK\$205 million to HK\$325 million as compared to the profit attributable to the Shareholders of approximately HK\$1,177 million for the 1H FY2021.

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) (the “**SFO**”).

Further to the announcement made by the Company on 4 January 2022, 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, the interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2021 (the “**1H FY2022**”) are expected to record a loss attributable to the Shareholders between HK\$205 million to HK\$325 million as compared to the profit attributable to the Shareholders of approximately HK\$1,177 million for the six months ended 31 December 2020 (the “**1H FY2021**”).

The financial results of the Group for the 1H FY2022 are adversely affected when compared with the financial results of the Group for 1H FY2021 due to the followings:

- i. a reversal of impairment loss on interest in an associate of approximately HK\$580 million recorded in the 1H FY2021 relating to the Group's principal associate listed on the Australian Securities Exchange, Mount Gibson Iron Limited ("MGX") is not recurred in the 1H FY2022;
- ii. an impairment loss on the Group's investment in MGX of approximately HK\$753 million is incurred in the 1H FY2022;
- iii. share of loss from associates of approximately HK\$105 million is recorded in the 1H FY2022 compared to the share of profits from associates of approximately HK\$152 million for 1H FY2021; and
- iv. partially offset by the unrealised fair value gain recognised for the Group's financial assets at fair value through profit or loss in relation to a listed equity security not held within the trading portfolio.

Nevertheless, the impairment loss per items i and ii above is a non-cash item that has not materially affected the cash position and the liquidity of the Group for 1H FY2022.

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 interim results announcement of the Company for 1H FY2022 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, 23 February 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