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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: 2478)

ANNOUNCEMENT OF THE FINAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of APAC Resources Limited (the “**Company**” or “**APAC**”) is pleased to announce the audited consolidated final results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2025 together with comparative figures for the year ended 30 June 2024 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue			
Trading of goods		340,757	1,169,403
Interest income		12,374	19,125
Total revenue	2	353,131	1,188,528
Cost of sales		(339,300)	(1,095,148)
Gross profit		13,831	93,380
Other gains and losses	4	358,334	380,428
Other income		51,945	69,413
Impairment losses on interests in associates, net	9	(106,922)	(80,423)
Administrative expenses		(94,689)	(78,391)
Exploration expenses		(4,690)	(22,516)
Finance costs	5(a)	(25,226)	(9,088)
Share of results of associates		40,864	38,751
Share of results of a joint venture		3,074	4,464
Profit before taxation	5	236,521	396,018
Income tax credit/(expense)	6	4,253	(32,577)
Profit for the year		240,774	363,441
Attributable to:			
Owners of the Company		243,862	390,031
Non-controlling interests		(3,088)	(26,590)
		240,774	363,441
Earnings per share attributable to owners of the Company (expressed in HK cents)	8		
– Basic		17.76	29.39
– Diluted		17.64	29.39

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 30 June 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	<u>240,774</u>	<u>363,441</u>
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of associates	(10,067)	(6,194)
Exchange differences on translation of a joint venture	1,829	(599)
Exchange differences on translation of other foreign operations	9,571	(8,385)
Share of other comprehensive income of associates, net of related income tax	15,227	304
Share of other comprehensive income of a joint venture	<u>(155)</u>	<u>194</u>
	<u>16,405</u>	<u>(14,680)</u>
Item that will not be reclassified to profit or loss:		
Share of other comprehensive income of an associate, net of related income tax	<u>4,550</u>	<u>1,056</u>
Other comprehensive income for the year, net of tax	<u>20,955</u>	<u>(13,624)</u>
Total comprehensive income for the year	<u>261,729</u>	<u>349,817</u>
Attributable to:		
Owners of the Company	265,135	375,696
Non-controlling interests	<u>(3,406)</u>	<u>(25,879)</u>
Total comprehensive income for the year	<u>261,729</u>	<u>349,817</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		4,413	5,096
Interests in associates	9	1,464,607	1,515,506
Interest in a joint venture	10	94,146	89,398
Goodwill		–	5,227
Exploration and evaluation expenditure		–	4,977
Rental deposits	11	234	–
Term deposits		–	12,878
		1,563,400	1,633,082
Current assets			
Inventories		220,157	62,355
Trade receivable, prepayments, deposits and other receivables	11	84,647	65,503
Financial assets at fair value through profit or loss ("FVTPL")		1,970,043	1,793,152
Loan receivables		83,578	88,563
Bank balances and cash		645,297	574,680
		3,003,722	2,584,253
Assets held for sale		–	2,587
		3,003,722	2,586,840
Total assets		4,567,122	4,219,922

		2025	2024
	Notes	HK\$'000	HK\$'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	1,408,971	1,356,637
Other reserves		217,095	198,506
Accumulated profits		2,394,829	2,286,631
Total equity attributable to owners of the Company		4,020,895	3,841,774
Non-controlling interests		–	17,509
		4,020,895	3,859,283
Non-current liabilities			
Lease liabilities		1,325	146
Deferred tax liability		8,488	18,686
Provisions		–	7,927
		9,813	26,759
Current liabilities			
Trade and other payables	12	65,034	51,740
Bank and other loans		468,457	280,105
Derivative financial instruments		–	104
Tax payable		320	461
Lease liabilities		2,603	1,470
		536,414	333,880
Total liabilities		546,227	360,639
Total equity and liabilities		4,567,122	4,219,922
Net current assets		2,467,308	2,252,960
Total assets less total liabilities		4,020,895	3,859,283

NOTES

For the year ended 30 June 2025

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional and presentation currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as set out below:

- Listed equity securities held-for-trading
- Unlisted equity investments
- Derivative financial instruments – warrants
- Trade payables designated at FVTPL

Application of revised HKFRS Accounting Standards

In the current year, the Group has applied the following revised to HKFRS Accounting Standards issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 July 2024 for the preparation of the Group’s consolidated financial statements:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK-Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan That contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

2. REVENUE

- (a) Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Trading of goods		
– Commodities (Iron ore)	<u>340,757</u>	<u>1,169,403</u>
Revenue from other sources		
Interest income under effective interest method		
– Loan receivables	12,374	18,774
– Others	<u>–</u>	<u>351</u>
	<u>12,374</u>	<u>19,125</u>
Total revenue	<u>353,131</u>	<u>1,188,528</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets are disclosed in Notes 3(a) and 3(b) respectively.

- (b) All sales contracts with customers within the scope of HKFRS 15 are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

3. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Company's executive directors (the chief operating decision maker) for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) Commodity business (trading of commodities);
- (ii) Resource investment (trading of and investment in listed and unlisted securities of energy and natural resources companies); and
- (iii) Principal investment and financial services (provision of loan financing and investments in financial assets and receiving interest income from these financial assets).

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is earnings and loss of each segment without allocation of share of results of associates and a joint venture, impairment loss on interests in associates, other gain/(loss) arising from associates, joint venture and subsidiaries, unallocated income and gains, unallocated administrative expenses and other losses, and unallocated finance costs.

Segment assets include all assets of operating and reportable segments other than interests in associates and a joint venture, certain property, plant and equipment and certain other receivables and certain bank balances and cash not managed under segments and other unallocated corporate assets.

Segment liabilities include provisions, trade and other payables, deferred tax liability and lease liabilities attributable to the activities of the individual segments and borrowings managed directly by the segments.

In addition to receiving segment information concerning segment profit/(loss), the Board is provided with segment information concerning revenue, interest income (included in other income), depreciation, dividend income from financial assets at FVTPL, gain/(loss) arising from changes in fair value of financial assets measured at FVTPL, net, reversal of impairment loss/(impairment loss) on loan receivables, net, (loss)/gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net, finance costs, net foreign exchange gain/(loss), income tax and additions to non-current segment assets (other than financial instruments and deferred tax assets) used by the segments in their operations.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's executive directors for the purposes of resource allocation and assessment of segment performance for the years ended 30 June 2025 and 2024 are set out below.

	Year ended 30 June 2025					
	Commodity	Resource	Principal	Total	Others	Total
	business	investment	investment	reporting		
	HK\$'000	HK\$'000	and financial	segments	HK\$'000	HK\$'000
	HK\$'000	HK\$'000	services	HK\$'000	HK\$'000	HK\$'000
Segment revenue:						
Disaggregated by timing of revenue recognition						
– Point in time	340,757	–	–	340,757	–	340,757
– Revenue from other source:						
Interest income	–	–	12,374	12,374	–	12,374
	<u>340,757</u>	<u>–</u>	<u>12,374</u>	<u>353,131</u>	<u>–</u>	<u>353,131</u>
Revenue from external customers	<u>340,757</u>	<u>–</u>	<u>12,374</u>	<u>353,131</u>	<u>–</u>	<u>353,131</u>
Impairment loss on loan receivables, net	<u>–</u>	<u>–</u>	<u>(4,267)</u>	<u>(4,267)</u>	<u>–</u>	<u>(4,267)</u>
Segment results	(8,046)	342,743	7,172	341,869	(5,473)	336,396
Share of results of associates						40,864
Share of results of a joint venture						3,074
Impairment losses on interests in associates, net						(106,922)
Gain arising from acquisition of additional interests in associates						1,013
Gain arising from deemed acquisition of interests in associates						6,836
Gain on loss of control of a subsidiary						2,161
Loss arising from deemed disposal of partial interests in associates						(3,036)
Unallocated income and gains						9,292
Unallocated administrative expenses and other losses						(34,867)
Unallocated finance costs						(18,290)
						<u>236,521</u>
Consolidated profit before taxation						<u>236,521</u>
Segment assets	558,083	2,163,146	83,998	2,805,227	–	2,805,227
Interests in associates						1,464,607
Interest in a joint venture						94,146
Unallocated head office and corporate assets						
– Bank balances and cash						198,854
– Other corporate assets						4,288
						<u>4,567,122</u>
Consolidated total assets						<u>4,567,122</u>
Segment liabilities	158,485	195,304	272	354,061	–	354,061
Unallocated head office and corporate liabilities						
– Other loan						175,000
– Dividend payable						6,904
– Other corporate liabilities						10,262
						<u>546,227</u>
Consolidated total liabilities						<u>546,227</u>

	Year ended 30 June 2025					
	Commodity business HK\$'000	Resource investment HK\$'000	Principal investment and financial services HK\$'000	Total reporting segments HK\$'000	Others HK\$'000	Total HK\$'000
Other segment information						
Interest income (included in other income)	3,797	745	1	4,543	343	4,886
Unallocated						665
						<u>5,551</u>
Dividend income from financial assets at FVTPL	-	40,350	-	40,350	-	<u>40,350</u>
Gain arising from changes in fair value of financial assets mandatorily measured at FVTPL, net	-	351,305	-	351,305	-	<u>351,305</u>
Impairment loss on loan receivables, net	-	-	(4,267)	(4,267)	-	<u>(4,267)</u>
Gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net	1,764	-	-	1,764	-	<u>1,764</u>
Net foreign exchange (loss)/gain	(4,055)	(795)	85	(4,765)	-	(4,765)
Unallocated						<u>7,974</u>
						<u>3,209</u>
Additions to non-current assets	-	-	-	-	-	-
Unallocated						<u>64</u>
						<u>64</u>
Depreciation	(987)	-	-	(987)	-	(987)
Unallocated						<u>(1,769)</u>
						<u>(2,756)</u>
Finance costs	(6,936)	-	-	(6,936)	-	(6,936)
Unallocated						<u>(18,290)</u>
						<u>(25,226)</u>
Income tax (expense)/credit	(5,611)	10,214	(22)	4,581	-	4,581
Unallocated						<u>(328)</u>
						<u>4,253</u>

There are no inter-segment revenue during the years ended 30 June 2025 and 2024.

	Year ended 30 June 2024					
	Commodity	Resource	Principal	Total	Others	Total
	business	investment	investment	reporting		
	and financial	services	segments			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:						
Disaggregated by timing of revenue recognition						
– Point in time	1,169,403	–	–	1,169,403	–	1,169,403
– Revenue from other source:						
Interest income	–	–	19,125	19,125	–	19,125
Revenue from external customers	1,169,403	–	19,125	1,188,528	–	1,188,528
Reversal of impairment loss on loan receivables, net	–	–	24,086	24,086	–	24,086
Loss arising from modification of loan receivable	–	–	(2,147)	(2,147)	–	(2,147)
Impairment loss on assets held for sale	–	–	–	–	(25,855)	(25,855)
Segment results	84,031	403,722	38,531	526,284	(52,031)	474,253
Share of results of associates						38,751
Share of results of a joint venture						4,464
Impairment losses on interests in associates, net						(80,423)
Gain arising from deemed acquisition of interest in an associate						101
Loss arising from deemed disposal of partial interest in an associate						(492)
Unallocated income and gains						1,420
Unallocated administrative expenses and other losses						(34,780)
Unallocated finance costs						(7,276)
Consolidated profit before taxation						396,018
Segment assets	517,706	1,941,356	89,115	2,548,177	41,425	2,589,602
Interests in associates						1,515,506
Interest in a joint venture						89,398
Unallocated head office and corporate assets						
– Bank balances and cash						16,028
– Other corporate assets						9,388
Consolidated total assets						4,219,922
Segment liabilities	61,862	134,610	5,470	201,942	12,438	214,380
Unallocated head office and corporate liabilities						
– Other loan						135,000
– Dividend payable						5,882
– Other corporate liabilities						5,377
Consolidated total liabilities						360,639

	Year ended 30 June 2024					
	Commodity business HK\$'000	Resource investment HK\$'000	Principal investment and financial services HK\$'000	Total reporting segments HK\$'000	Others HK\$'000	Total HK\$'000
Other segment information						
Interest income (included in other income)	4,342	839	2	5,183	1,249	6,432
Unallocated						<u>5,675</u>
						<u>12,107</u>
Dividend income from financial assets at FVTPL	–	56,584	–	56,584	–	<u>56,584</u>
Gain arising from changes in fair value of financial assets mandatorily measured at FVTPL, net	–	379,870	–	379,870	–	<u>379,870</u>
Reversal of impairment loss on loan receivables, net	–	–	24,086	24,086	–	<u>24,086</u>
Gain arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities, net	8,947	–	–	8,947	–	<u>8,947</u>
Impairment loss on assets held for sale	–	–	–	–	(25,855)	<u>(25,855)</u>
Net foreign exchange (loss)/gain	5,721	(3,815)	(824)	1,082	–	1,082
Unallocated						<u>(5,164)</u>
						<u>(4,082)</u>
Additions to non-current assets	746	–	–	746	976	1,722
Unallocated						<u>–</u>
						<u>1,722</u>
Depreciation	(1,130)	–	–	(1,130)	(504)	(1,634)
Unallocated						<u>(1,930)</u>
						<u>(3,564)</u>
Finance costs	(1,812)	–	–	(1,812)	–	(1,812)
Unallocated						<u>(7,276)</u>
						<u>(9,088)</u>
Income tax expense	(5,039)	(27,025)	(276)	(32,340)	–	(32,340)
Unallocated						<u>(237)</u>
						<u>(32,577)</u>

(b) Geographical information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, interests in associates and a joint venture, goodwill and exploration and evaluation expenditure. The geographical location of customers is based on the location of goods delivered; the Group's interest income derived from loan receivables in respect of principal investment and financial services is analysed by the location where the loan financing is provided. In the case of non-current assets (excluding financial assets) which is presented based on geographical location of assets (where the property, plant and equipment and exploration and evaluation expenditures are located/incurred and where the associates, the joint venture and the subsidiary to which the goodwill relates are incorporated/listed).

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	12,374	6,667	2,973	1,505
The PRC	340,757	1,181,861	140,919	137,755
Australia	–	–	1,412,906	1,472,391
Philippines	–	–	6,368	8,553
	<u>353,131</u>	<u>1,188,528</u>	<u>1,563,166</u>	<u>1,620,204</u>

(c) Information about major customers

Revenue from customers contributing 10% or more of the Group's revenue are as follows:

	2025 HK\$'000	2024 HK\$'000
Commodity business		
Customer A (note)	147,852	–
Customer B	55,188	670,195
Customer C (note)	45,230	–
Customer D (note)	<u>39,028</u>	<u>–</u>

Note:

The customer contributed less than 10% of the Group's revenue for the year ended 30 June 2024.

4. OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Gain/(loss) arising from changes in fair value of financial assets mandatorily measured at FVTPL, net:		
– listed equity securities held-for-trading	338,149	364,260
– unlisted equity investments	130	12,603
– derivative financial instruments – warrants	12,915	3,111
– derivative financial instruments – others	111	(104)
(Impairment loss)/reversal of impairment loss on loan receivables, net	(4,267)	24,086
Gain on loss of control of a subsidiary (<i>note</i>)	2,161	–
Gain arising from deemed acquisition of interests in associates	6,836	101
Loss arising from deemed disposal of partial interests in associates	(3,036)	(492)
Gain arising from acquisitions of additional interests in associates	1,013	–
Gain/(loss) arising from changes in fair value of provisional pricing arrangements in relation to trading of commodities:		
– fair value loss on trade receivables designated at FVTPL	–	(11,550)
– fair value gain on trade payables designated at FVTPL	1,764	20,497
Loss arising from modification of loan receivables	–	(2,147)
Impairment loss on assets held for sale	–	(25,855)
Net foreign exchange gain/(loss)	3,209	(4,082)
Others	(651)	–
	358,334	380,428

Note:

During the year ended 30 June 2025, upon the completion of the right issue and share placement by a then subsidiary (the “**Investee**”), the Group’s interests in the Investee decreased significantly and directors of the Company considered that the Group lost control over the Investee but retained significant influence on the Investee. Accordingly, the financial statements of the Investee were deconsolidated from the Group’s consolidated financial statements and a gain on deconsolidation of HK\$2,161,000 was recognised in profit or loss.

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging the following:

	2025 HK\$'000	2024 HK\$'000
(a) Finance costs:		
Interest on bank and other loans	25,095	8,916
Interest on lease liabilities	131	172
	<u>25,226</u>	<u>9,088</u>
(b) Staff costs (including directors' emoluments) (note (i)):		
Salaries and allowance	55,828	45,061
Contributions to defined contribution retirement plans	299	992
	<u>56,127</u>	<u>46,053</u>
(c) Other items:		
Cost of goods recognised as expenses (note (ii))	339,300	1,117,125
Auditors' remuneration (note (i))		
– audit services	1,230	1,200
– non-audit services	380	200
Depreciation charges (note (i))		
– owned property, plant and equipment	286	1,033
– right-of-use assets	2,470	2,531
Exploration expense (note (iii))	4,690	22,516
Short-term lease expense	60	41
	<u>339,300</u>	<u>1,117,125</u>

Notes:

- (i) Included in staff costs and depreciation charges, there are HK\$54,962,000 (2024: HK\$41,228,000) and HK\$2,756,000 (2024: HK\$3,131,000) respectively being classified under administrative expenses. Other major components of administrative expenses include auditors' remuneration of HK\$1,610,000 (2024: HK\$1,400,000), brokerage and custodian fees for investments of HK\$10,207,000 (2024: HK\$8,277,000) and legal, professional and consultancy fees of HK\$6,355,000 (2024: HK\$4,602,000).
- (ii) The amount for the year ended 30 June 2025 includes write down of inventories of HK\$13,699,000 (2024: HK\$5,461,000).
- (iii) Exploration expenses in the consolidated statement of profit or loss includes staff costs of HK\$1,165,000 (2024: HK\$4,825,000) and depreciation of nil (2024: HK\$433,000), which are also included in the respective total amounts disclosed separately above.

6. INCOME TAX (CREDIT)/EXPENSE

Amounts recognised in profit or loss:

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong Profits Tax for the year	–	360
– Under/(over)-provision of Hong Kong Profits Tax for the prior year	22	(37)
– PRC Enterprise Income Tax for the year	5,611	5,039
– Withholding tax on dividend income	328	–
Deferred tax		
– Origination and reversal of temporary differences	(10,214)	27,215
Income tax (credit)/expense	(4,253)	32,577

7. DIVIDENDS

Dividends recognised as distribution to owners of the Company during the year

	2025 HK\$'000	2024 HK\$'000
2024 final dividend declared – HK10 cents (2024: 2023 interim dividend declared – HK10 cents)	135,664	130,249

The Board has recommended the payment of a final dividend of HK11 cents per share for the year ended 30 June 2025. The proposed final dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company. The proposed final dividend in respect of the year declared subsequent to 30 June 2025 has not been recognised as a liability as at 30 June 2025.

During the year ended 30 June 2025, a final dividend of HK10 cents per ordinary share, in an aggregate amount of HK\$135,664,000 was declared in respect of the year ended 30 June 2024, which is paid or payable in cash.

During the year ended 30 June 2024, an interim dividend of HK10 cents per ordinary share, in an aggregate amount of HK\$130,249,000 was declared in respect of the year ended 30 June 2023, which is paid or payable in cash with an option to receive the interim dividend (in lieu of a final dividend) wholly or partly in the form of new fully paid shares in lieu of cash. Consequently, HK\$80,040,000 was paid in cash and the remaining amount of HK\$50,209,000 was settled by the issue of 54,151,441 ordinary shares of the Company to shareholders who elected to receive the dividend in lieu of cash on 15 January 2024.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is as follows:

	2025	2024
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share (HK\$'000)	<u>243,862</u>	<u>390,031</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousands)	<u>1,373,138</u>	<u>1,327,194</u>
Basic earnings per share (HK cents)	<u>17.76</u>	<u>29.39</u>

(b) Diluted earnings per share

The calculation of the diluted earnings per share is as follows:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential shares. The Company's dilutive potential ordinary shares comprise ordinary shares to be issued under 2027 warrants. In relation to ordinary shares issued under 2027 warrants, a calculation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average market share price of the Company's ordinary shares during the year) based on the monetary value of the subscription rights attached to outstanding number of warrants. The number of ordinary shares calculated as above is compared with the number of ordinary shares that would have been issued assuming the exercise of the warrants.

	2025	2024
Profit attributable to owners of the Company, used to determine diluted earnings per share (HK\$'000)	<u>243,862</u>	<u>390,031</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share (in thousands)	<u>1,373,138</u>	<u>1,327,194</u>
Effective of dilutive potential ordinary shares under 2027 warrants (in thousands)	<u>9,347</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share (in thousands)	<u>1,382,485</u>	<u>1,327,194</u>
Diluted earnings per share (HK cents)	<u>17.64</u>	<u>29.39</u>

9. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Interests in associates before impairment	2,394,172	2,338,149
Impairment losses recognised	<u>(929,565)</u>	<u>(822,643)</u>
	1,464,607	1,515,506
Fair value of listed investments	<u>1,558,834</u>	<u>1,582,291</u>

At the end of the reporting period, the management of the Group carried out review on impairment loss on the carrying amounts of its interests in associates by comparing their recoverable amounts (higher of value in use and fair value less costs of disposal) with its respective carrying amounts when there is impairment indication. The (impairment loss)/reversal of impairment loss on respective associates recognised in the consolidated statement of profit or loss for the year ended 30 June 2025 are as follows:

	2025 HK\$'000	2024 HK\$'000
Mount Gibson Iron Limited (“MGX”)	(171,800)	(71,303)
Tanami Gold NL	66,687	(11,115)
Mabuhay Holdings Corporation	<u>(1,809)</u>	<u>1,995</u>
	<u>(106,922)</u>	<u>(80,423)</u>

10. INTEREST IN A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Interest in a joint venture	<u>94,146</u>	<u>89,398</u>

11. TRADE RECEIVABLE, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivable (<i>note (i)</i>)	9,639	–
Other receivables and deposits	36,234	8,439
Value-added tax receivable	30,459	9,773
Dividend receivable	312	34,555
Rental deposits (<i>note (ii)</i>)	234	293
Receivable from securities brokers	6,970	10,840
Prepayments	1,033	1,603
	84,881	65,503
Representing:		
– Non-current assets	234	–
– Current assets	84,647	65,503
	84,881	65,503

Except for the non-current rental deposits, all of the other receivables are expected to be recovered or recognised as expense within one year.

Notes:

(i) Aging analysis

As of the end of the reporting period, the aging analysis of trade receivables based on invoice date which approximates the revenue recognition date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0-30 days	9,639	–

The Group allows an average credit period of 90 days to its trade customers from commodity business. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits to it. The credit limits attributed to customers are reviewed regularly.

(ii) Rental deposits are typically paid for lease properties, which are refundable after the expiry of the lease.

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables designated at FVTPL (<i>note (i)</i>)	4,768	3,688
Provision of employee benefits	33,430	18,263
Other payables measured at amortised cost	26,836	29,789
	<u>65,034</u>	<u>51,740</u>

Note:

(i) Aging analysis

As of the end of the reporting period, the aging analysis of trade payables designated at FVTPL based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0-30 days	<u>4,768</u>	<u>3,688</u>

The Group purchases iron ore commodities under provisional pricing arrangements where final prices are based on prevailing spot prices over a quotation period after shipment by the supplier, MGX. These trade payables are designated at FVTPL on contract by contract basis.

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
At 1 July 2023, 30 June 2024, 1 July 2024 and 30 June 2025 ordinary shares of HK\$1.00 each	<u>3,000,000,000</u>	<u>3,000,000</u>
Issued and fully paid, ordinary shares of HK\$1.00 each		
At 1 July 2023	1,302,485,521	1,302,486
Share issued under scrip dividend scheme	<u>54,151,441</u>	<u>54,151</u>
At 30 June 2024 and 1 July 2024	1,356,636,962	1,356,637
Share issued under 2027 warrants	<u>52,333,542</u>	<u>52,334</u>
At 30 June 2025	<u>1,408,970,504</u>	<u>1,408,971</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

APAC Resources Limited (“APAC” or the “Company”) and its subsidiaries (collectively, the “Group”) reported a net profit attributable to shareholders of the Company of HK\$243,862,000 for the year ended 30 June 2025 (“FY2025”), compared with a net profit attributable to shareholders of the Company of HK\$390,031,000 for the year ended 30 June 2024 (“FY2024”). This profit was mostly driven by our Resource Investment division, where we generated a segment profit of HK\$342,743,000.

Primary Strategic Investments

Our Primary Strategic Investments are in Mount Gibson Iron Limited (“Mount Gibson”) (ASX: MGX), Tanami Gold NL (“Tanami Gold”) (ASX: TAM), Metals X Limited (“Metals X”) (ASX: MLX), Dragon Mining Limited (“Dragon Mining”) (HKEX: 1712) and Prodigy Gold NL (“Prodigy Gold”) (ASX: PRX), where APAC owns 38.4%, 46.3%, 23.3%, 29.7% and 29.6% respectively. They are listed and operating in Australia.

The combined net attributable profit shared from Mount Gibson, Tanami Gold, Metals X, Dragon Mining and Prodigy Gold which are accounted for as the Group’s associates for FY2025 was HK\$38,097,000 (FY2024: HK\$38,101,000).

During the year, APAC’s shareholding in Prodigy Gold fell from 44.3% as at 30 June 2024 to 29.6% as at 30 June 2025 as APAC chose not to participate in Prodigy Gold’s equity raising. Prodigy Gold is deconsolidated from APAC and accounted as an associate from 30 October 2024. Meanwhile, APAC’s ownership of Mount Gibson and Metals X have increased to 38.4% (from 37.3%) and 23.3% (from 22.8%) respectively as at 30 June 2025, due to cancellation of shares by Mount Gibson and Metals X.

Mount Gibson

Mount Gibson is an Australian producer of direct shipping grade iron ore products. Mount Gibson owns the Koolan Island mine off the Kimberley coast in the remote north-west of Western Australia.

Ore sales at the Koolan Island Restart Project started in April 2019 and achieved commercial production in the June quarter of 2019. The restart project had 21 million tonnes of 65.5% Fe reserves. Mount Gibson has completed a planned waste mining phase, enabling increased production from 2023 onwards.

Mount Gibson reported a net loss after tax of A\$82.2 million for FY2025 from sales of 2.6 million tonnes of iron ore. Production and grades were constrained in September quarter while a necessary reconfiguration was undertaken and a new switchback was constructed in the centre of the pit, which pushed up operating costs. In addition, A\$90.4 million impairment expense has been recorded in the year as a result of weak iron ore prices. Yet, operational improvement was seen since December quarter of 2024 after the reconfiguration. Production was also slightly impacted by remedial ground support activities on the central footwall and weather-related interruptions in the second half of FY2025. Operating costs and production slightly missed the Mount Gibson's FY2025 guidance given the temporary overhangs during the year.

Sales guidance for the year ending 30 June 2026 (“**FY2026**”) is 3.0 million to 3.2 million tonnes. Mount Gibson's cash and investment reserves was A\$484.6 million at the end of FY2025.

The Platts IODEX 62% CFR China index traded in a relatively narrow range in FY2025, with lows near US\$90 per dry metric tonne (“**dmt**”) in September 2024 and closing at near US\$94 per dmt. In mid-August 2025, the price is around US\$100 per dmt with an improvement driven by speculation on Chinese production cuts and hopes for large scale China infrastructure projects. Iron ore prices are expected to fluctuate with sentiment related to China's economy.

Tanami Gold

APAC owns 46.3% of Tanami Gold at 30 June 2025. Tanami Gold's principal business activity is gold exploration. It holds 50% of the Central Tanami Project and has a cash balance of A\$19 million. In May 2021, Tanami Gold entered into a binding agreement with Northern Star Resources Limited (“**Northern Star**”) (ASX: NST) to establish a new 50-50 Joint Venture covering the Central Tanami Project (“**CTPJV**”). On 16 July 2025, Mount Gibson has announced reaching agreement to acquire 50% of the CTPJV plus adjacent wholly owned exploration tenements from Northern Star.

Metals X

APAC has increased its shareholding in Metals X from 22.8% as at 30 June 2024 to 23.3% as at 30 June 2025. Metals X is focused on implementing its life of mine plan at Renison mine, including the development of the high-grade Area 5 deposit. In the twelve months ended June 2025, the Renison mine produced 5,692 tonnes of tin (net 50% basis), at all-in sustaining costs of A\$29,459 per tonne against a tin price of A\$48,553 per tonne for imputed EBITDA of A\$274 million.

Like most base metals, tin prices slumped after demand concerns after the announcement of reciprocal tariffs by the United States (“US”) in April 2025 despite peaking in early April 2025 due to supply disruption in the Democratic Republic of the Congo. Tin prices gradually recovered and remained one of the strongest base metals due to solid supply-demand fundamentals. In mid-August 2025, the tin price is circa US\$33,750 per tonne. We remain comfortable with the outlook for tin due to the lack of significant supply growth, growing demand for tin from the electrification trend, and growth from semiconductors and energy storage industries.

Dragon Mining

APAC owns approximately 29.7% of Dragon Mining as at 30 June 2025.

The principal activity of Dragon Mining is gold exploration, mining, and processing in the Nordic region. Dragon Mining operates gold mines and processing facilities in Finland and Sweden. In Finland, the Vammala Production Centre consists of a conventional 300,000 tonnes per annum crushing, milling and flotation plant, the Jokisivu Gold mine, the Orivesi Gold mine which ceased production in June 2019, and the Kaapelinkulma Gold mine which ceased production in April 2021, and the Uunimäki Gold project. Annual production from Dragon Mining is in the range of 20,000 to 30,000 ounces of gold in concentrate depending on the grade of ore and gold concentrate feed. In Sweden, the operation is known as the Svartliden Production Centre, consisting of a 300,000 tonnes per annum carbon-in-leach processing plant together with the closed Svartliden Gold mine (mining completed in 2013), and the Fäboliden Gold mine where a campaign of test-mining was completed in September 2020.

On 1 April 2025, Allied Properties Resources Limited (“**APRL**”), a wholly-owned subsidiary of APAC announced a pre-conditional voluntary cash offer of HK\$2.2 per share for all issued shares of Dragon Mining not owned by APRL and its concert parties. On 19 May 2025, Wah Cheong Development (B.V.I.) Limited (“**Wah Cheong**”), an indirect wholly-owned subsidiary of Allied Group Limited (a substantial shareholder of APAC), announced a conditional voluntary cash offer of HK\$2.60 per share for all issued shares of Dragon Mining not owned by Wah Cheong and its concert parties. On 2 June 2025, APRL’s offer was withdrawn.

Prodigy Gold

APAC owns approximately 29.6% of Prodigy Gold at 30 June 2025.

Prodigy Gold is a gold exploration company listed on the ASX. It holds a large footprint of exploration tenements in the Tanami region in the Northern Territory, Australia, and a JORC (Joint Ore Resources Committee) resource of 1.03 million ounces across its Hyperion, Tregony, Buccaneer and Old Pirate projects. Some of its tenements are held in joint venture with partners such as Newmont Corporation and IGO Limited. Prodigy Gold reported a net loss after tax of A\$3.5 million for FY2025. At the end of June 2025, Prodigy Gold has a cash balance of A\$1.2 million. The focus of Prodigy Gold for 2025 will be exploration on the Northern Tanami project area and continue with its strategy to divest non-core assets.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss comprise mainly the Group's Resource Investment. As at 30 June 2025, APAC had significant investment representing 5% or more of the Group's total assets in Shougang Fushan Resources Group Limited ("**Shougang Fushan**") (HKEX: 639).

Significant Investment

Name of investee company	Number of shares held at 30 June 2025	% of shares held at 30 June 2025	For the year ended 30 June 2025					As at 30 June 2025	
			Investment cost	Dividend income	Realized gain	Unrealized loss	Fair value loss, net	Carrying value	% of carrying value to the Group's total assets
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Shougang Fushan	142,159,657	2.8%	252,452	12,151	141	(44,389)	(44,248)	406,577	8.9%

Our investment in Shougang Fushan generated a fair value loss of HK\$44,248,000 during the year with a carrying value of HK\$406,577,000 as at 30 June 2025.

Shougang Fushan is a coking coal producer listed on The Stock Exchange of Hong Kong Limited. Its principal businesses are coking coal mining and the production and sales of coking coal products in China. It has three mines located in China with reserves of 54 million tonnes of raw coking coal at 31 December 2024 and during six months ended 30 June 2025 Shougang Fushan produced 2.6 million tonnes of raw coking coal and sold 1.6 million tonnes of clean coking coal.

The market capitalisation of Shougang Fushan at the end of August 2025 is around HK\$14 billion. During the six months ended 30 June 2025, Shougang Fushan generated revenue of HK\$2,101 million and a profit of HK\$481 million and had cash and time deposits of HK\$9.4 billion at 30 June 2025.

Resource Investment

The investments in this division comprise mostly minor and liquid holdings in various natural resource companies listed on major stock exchanges, including Australia, Canada, Hong Kong, the United Kingdom and the US. Our investments focus on select commodities within several commodity segments: energy, bulk commodities, base metals and precious metals.

Resource Investment posted a fair value gain of HK\$338,149,000 in FY2025 (FY2024: HK\$364,260,000), which after accounting for segment-related dividends and other investment income and expenses, resulted in a segment profit of HK\$342,743,000 (FY2024: HK\$403,722,000).

Our Resource Investment division includes, among other investing strategies, the two resource portfolios announced in August 2016, with an additional natural resource-focused strategy subsequently established and focused on large caps and specialist opportunities. The aim of the portfolios is to produce a positive return using the Company's funds as well as to create a track record to attract potential third-party investments in the future. These various portfolios are managed under the Resource Investment segment of the Company, which is separate from the Company's large strategic stakes. Our portfolios have a global long-only mandate (cannot short stocks) and strict parameters on market capitalisation, liquidity, development stage (exploration through to production) and jurisdiction to manage risk.

Small and Mid-Cap Mining Portfolio

This portfolio is focused on investments in small and mid-cap companies involved in the exploration, development and production of battery metals, base metals, precious metals, uranium, bulks and other hard rock commodities. Managed by the same portfolio manager since its inception on 1 October 2016, the Small and Mid-Cap Mining Portfolio has delivered a return of 751% in the 8.75 years to 30 June 2025. This represents a significant outperformance of 724% against its benchmark (currency adjusted equal weighting of the ASX 200 Smallcap Resources, FTSE AIM All Share Basic Resources and TSX Venture Composite), which returned 27% over the same period.

A full breakdown of the Small and Midcap Mining Portfolio's annual performance against its benchmark is presented in the table below.

From	To	Small and Mid-Cap Mining Portfolio		Alpha	Small and Mid-Cap Mining Portfolio		Cumulative Alpha
		Performance	Benchmark		Cumulative Performance	Cumulative Benchmark	
01-Oct-16	30-Sep-17	8.7%	4.0%	4.7%	8.7%	4.0%	4.7%
01-Oct-17	30-Sep-18	9.6%	-4.3%	13.9%	19.1%	-0.4%	19.5%
01-Oct-18	30-Sep-19	18.8%	-15.4%	34.2%	41.4%	-15.7%	57.1%
01-Oct-19	30-Sep-20	59.8%	29.4%	30.4%	126.0%	9.0%	117.0%
01-Oct-20	30-June-21	87.0%	33.5%	53.5%	322.6%	45.5%	277.1%
01-July-21	30-June-22	14.2%	-27.6%	41.8%	382.7%	5.4%	377.3%
01-July-22	30-June-23	16.3%	-3.2%	19.5%	461.2%	2.0%	459.2%
01-July-23	30-June-24	17.4%	-2.9%	20.3%	558.6%	-1.0%	559.6%
01-July-24	30-June-25	29.2%	28.5%	0.7%	750.8%	27.2%	723.6%

The strategy delivered a period of strong positive performance for the year ended 30 June 2025, driven by a broad recovery in commodity markets during the first half of calendar year 2025. This resurgence was underpinned by easing monetary policies in major economies, which stimulated industrial activity and capital investment, in turn boosting demand for raw materials. The portfolio benefited from this improved macroeconomic backdrop, with a notable reversal of the headwinds experienced in late 2024.

A key driver of the portfolio's outperformance was its significant outsized positioning in the gold sector with a circa 40-70% weighting since early 2024. This tactical decision was based on a positive outlook for gold – given elevated central bank buying, elevated geopolitical uncertainty, rising investor demand and the more recent dedollarisation trend – and has proven highly effective, especially as investors increasingly recognised significantly improved margins and cash flow generation by gold mining companies. Top contributors to portfolio returns were predominantly gold-focused companies, including Kingsgate Consolidated, Heliostar Metals, Discovery Metals, Resolute Mining, Meeka Metals, Orezone Gold, Thesis Gold and Greatland Resources.

Conversely, a number of holdings acted as a drag on portfolio returns. The top detractors were generally dragged down by weak underlying commodity prices and included Coronado Global Resources (metallurgical coal), Q2 Metals (lithium), Meteoric Resources and Viridis Metals and Minerals (rare earths). Other poor performers were negatively impacted by weak operational results and downgraded guidance, like Galiano Gold and Ora Banda. However, looking forward to the financial year ending 30 June 2026, a number of these past underperformers are now looking more positive, with share prices turning higher, and this has underpinned a positive start to the new financial year for the Small and Mid-Cap Mining Portfolio.

Energy Portfolio

This portfolio is primarily focused on the oil, gas, power and renewables sectors. At the end of 2019, the mandate for this portfolio was expanded to include investments in renewables, and with a broader sector of investments, from February 2020 (before the full impact of the Covid-19 Pandemic) to August 2025, the Energy Portfolio has generated a return on investment of 140%.

The investment choices in the Energy Portfolio are selected through a combination of fundamental bottom up valuation and analysis of the prospects for different sectors. During the early days of the COVID-19 pandemic, the investments were focused in companies in the green energy sector given that the low interest rate environment was supportive of stocks with significant growth potential. Recently equities across almost all sectors were jostled by concerns related to “Liberation Day” in early April 2025 when markets were shocked by the large US tariffs proposed. In the year ending 30 June 2025, we focused on companies that support base load power (predominantly natural gas in select countries and uranium) given growing demand for power in the US and a strong equity market focus on names exposed to artificial intelligent (“AI”) power demand. At the same time, we reduced oil exposure, given concerns of slow US growth in the event of new tariffs being implemented, although we subsequently saw lots of volatility related to military attacks on Iran. We have had essentially no investments in the renewables sub-sector in FY2025 given our concerns on weak sentiment in the event that significant Inflation Reduction Act policies were reversed by President Trump. We remain cautious on the outlook for oil given OPEC+ has made significant additions to the global market by unwinding production cuts. The energy transition continues, and we are becoming cautiously optimistic given the reduction in policy uncertainty in August and after a significant sell off in the last twelve months.

Precious Metals

The Precious Metals segment (majority gold exposure) generated a net fair value gain of HK\$510,007,000 in FY2025. As at 30 June 2025, the carrying value of the Precious Metals segment was HK\$1,045,084,000 (As at 30 June 2024: HK\$686,052,000). Our largest gold investment in the Resource Investment division is in Northern Star (ASX: NST) which generated a fair value gain of HK\$34,311,000 with a carrying value as at 30 June 2025 of HK\$95,186,000. We also own Kingsgate Consolidated Ltd (ASX: KCN) which generated a fair value gain of HK\$28,450,000 with a carrying value as at 30 June 2025 of HK\$51,026,000. Northern Star is the largest gold company in Australia and owns high-grade underground mines in Western Australia and Alaska. It operates three gold production centres, namely Kalgoorlie and Yandal in Western Australia and Pogo in Alaska, and the Hemi Development Project, located in the Pilbara region of Western Australia. In FY2025, its production was 1,618,000 ounces of gold, and it generated a net mine cash flow of A\$1,189 million. In FY2026, its production target is 1,700,000 – 1,850,000 ounces.

The gold price had a strong rally in FY2025 from approximately US\$2,300 per ounce and reached a high of US\$3,500 per ounce before closing around US\$3,300 per ounce. The strength in gold prices has been a surprise given the high interest rate in the US, and there is speculation that it has been driven by central bank purchases, safe haven demand amid worries on geopolitical tensions and expectations that global monetary policies would loosen.

Bulk Commodities

The Bulk Commodities segment generated a fair value loss of HK\$96,039,000 in FY2025. As at 30 June 2025, the carrying value was HK\$492,600,000 (As at 30 June 2024: HK\$584,717,000). Our largest investment in this segment during FY2025 is in Shougang Fushan (HKEX: 639), which generated a fair value loss of HK\$44,248,000 and had a carrying value as at 30 June 2025 of HK\$406,577,000.

Base Metals

The Base Metals segment (a mix of copper, nickel, zinc, aluminium, tin and cobalt companies) delivered a fair value loss of HK\$2,286,000 in FY2025. During the year, base metal prices were mixed, with copper prices up 2.8%, nickel prices down 11.9%, and zinc prices down 4.8%. The Base Metals segment includes our investment in Lundin Mining Corp (TSE: LUN) which had a carrying value as at 30 June 2025 of HK\$28,763,000.

Energy

The Energy segment (mix of oil and gas, uranium and renewables) had a fair value loss of HK\$26,350,000 and a carrying value of HK\$163,539,000 in FY2025 (As at 30 June 2024: HK\$232,734,000). Our significant energy investments include Paladin Energy Limited (ASX: PDN), which generated a fair value loss of HK\$1,398,000 and had a carrying value as at 30 June 2025 of HK\$52,797,000.

Others

We also have a fair value loss of HK\$47,054,000 from the remaining commodity (diamonds, manganese, rare earths, lithium and mineral sands among others) and non-commodity investments in FY2025 and had a carrying value as at 30 June 2025 of HK\$113,034,000 (As at 30 June 2024: HK\$132,289,000).

Commodity Business

We have an iron ore offtake at Koolan Island, and we continue to look for new offtake opportunities across a range of commodities. For FY2025, our Commodity Business generated a segment loss of HK\$8,046,000 (FY2024: Profit of HK\$84,031,000) as a result of weak iron ore prices.

Principal Investment and Financial Services

The Principal Investment and Financial Services segment, which covers the income generated from loan receivables and other financial assets. For FY2025, this segment recognized a profit of HK\$7,172,000 (FY2024: HK\$38,531,000).

Money Lending

Business Model and Customer Profile

The Group provides both secured and unsecured term loans to its customers under its Principal Investment and Financial Services segment. Money lending activities diversifies the income stream and business risks of the Group, and generates a stable return with the Group's available financial resources on hand from time to time. The Group mainly financed its money lending business by its internal resources.

The Group does not set a specific target for the industry, business or level of annual revenue to corporate borrowers. The customers of the Group's lending business were referred to the Group through its corporate or business networks. For FY2025, customers of the Group's lending business included Hong Kong listed companies for secured and unsecured loans.

Outstanding loan receivables net of loss allowances as at 30 June 2025 amounted to approximately HK\$83,578,000 (As at 30 June 2024: HK\$88,563,000). During the year, the Group has provided for impairment losses on its loan receivables of approximately HK\$4,267,000 (FY2024: Impairment losses written back of HK\$24,086,000).

Risk Management Policies

The Group adopts a thorough credit assessment and approval process, and will assess and approve each loan transaction on a case-by-case basis. The finance department of the Group (the “**Finance Department**”) is responsible for conducting a background check on the prospective borrower in compliance with the applicable laws and regulations, reviewing the background and financial strength of such borrower and where applicable, the guarantor, and enquiring the prospective borrower about the purpose of the loan and the expected source of funds for loan repayment. To support its analysis, the Group will obtain corporate documents, financial statements and search reports of the borrower and/or the guarantor, and thereafter, assess the credit risk of the loan and negotiate the terms thereof after considering (i) the background and financial position of the borrower or the guarantor (if applicable), including net asset value and gearing ratio; and (ii) the value of the securities, if any.

Each loan transaction will be approved by either the Board, or if the loan principal does not exceed the threshold set by the Board, by the executive committee of the Board.

The Finance Department monitors the loan and interest repayment regularly and reviews the annual financial statements of the borrowers and guarantors (if applicable). It would promptly report to the chief executive or chief financial officer of the Group for any delay or default in repayment upon maturity, who would then formulate plans for loan collection, including but not limited to requesting for additional securities or initiating legal actions.

Loan Impairment Policies

The Company adopts expected credit loss allowances (“**ECLs**”) according to the requirements of Hong Kong Financial Reporting Standard 9 issued by the Hong Kong Institute of Certified Public Accountants. Accordingly, it shall review the recoverable amount of each loan at the end of each reporting period to ensure that adequate impairment losses are made. The Group applies a general approach on loan receivables to assess for the ECLs.

Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the borrower. In order to measure the ECLs of loan receivables, the Group will apply a credit rating for each of its borrowers by reference to each borrower's past default records, current past due exposure, an analysis of its current financial position, likelihood or risk of a default, an assessment on any significant increase in credit risk, and fair value of collaterals (if any), and adjust for forward looking information that is available without undue cost or effort, such as the current and forecasted global economy and the general economic conditions of the industry in which the borrower operates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying any significant increase in credit risk before the loan amount becomes past due.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2025, our non-current assets amounted to HK\$1,563,400,000 (As at 30 June 2024: HK\$1,633,082,000) and net current assets amounted to HK\$2,467,308,000 (As at 30 June 2024: HK\$2,252,960,000) with a current ratio of 5.6 times (As at 30 June 2024: 7.7 times) calculated on the basis of its current assets over current liabilities. Included in current assets, the loan receivables amounted to HK\$83,578,000 (As at 30 June 2024: HK\$88,563,000).

As at 30 June 2025, we had borrowings of HK\$468,457,000 (excluding lease liabilities) (As at 30 June 2024: HK\$280,105,000) and had undrawn letter of credit, bank and other loan facilities amounting to HK\$680,492,000. As at 30 June 2025, we had a gearing ratio of nil (As at 30 June 2024: Nil), calculated on the basis of net debt over equity attributable to owners of the Company. For this purpose, net debt is defined as borrowings (excluding lease liabilities) less cash and cash equivalents.

Foreign Exchange Exposure

For the year under review, the Group's assets were mainly denominated in Australian Dollars while the liabilities were mainly denominated in United States Dollars and Hong Kong Dollars. There would be no material immediate effect on the cash flows of the Group from adverse movements in foreign exchange for long term investments. In addition, the Group is required to maintain foreign currency exposure to cater for its present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. In light of this, the Group did not actively hedge for the risk arising from the Australian Dollars denominated assets. However, the Group will closely monitor this risk exposure as required.

Pledge of Assets

As at 30 June 2025, the Group's certain listed associates and listed securities held-for-trading with a fair value of HK\$950,689,000 (As at 30 June 2024: HK\$416,000,000) were pledged to banks to secure banking facilities granted to the Group.

Employees and Emolument Policy

The Group ensures that its employees are remunerated according to the prevailing manpower market conditions and individual performance with its remuneration policies reviewed on a regular basis. All employees are entitled to participate in the Group's benefit plans including medical insurance and pension fund schemes including the Mandatory Provident Fund Scheme (subject to the applicable laws and regulations of the People's Republic of China (the "PRC") for its employees in the PRC).

As at 30 June 2025, the Group, including its subsidiaries but excluding associates, had 16 (As at 30 June 2024: 25) employees. Total remuneration together with pension contributions incurred for FY2025 amounted to HK\$47,550,000 (FY2024: HK\$36,344,000).

Principal Risks

The Group adopts a comprehensive risk management framework. Policies and procedures are developed, regularly reviewed and updated to enhance risk management and react to changes in market conditions and the Group's business strategy. The Audit Committee of the Company (the "Audit Committee") reviews the Group's policies and scrutinises that management has performed its duty to have effective risk management and internal control systems necessary for monitoring and controlling major risks arising from the Group's business activities, changing external risks and the regulatory environment, and reports to the Board on the above.

Financial Risk

Financial risk includes market risk, credit risk and liquidity risk. Market risk concerns that the value of an investment will change due to movements in market factors and which can be further divided into foreign currency risk, interest rate risk and other price risk. Credit risk is the risk of losses arising from clients or counterparties failing to make payments as contracted. Liquidity risk concerns that a given security or asset cannot be traded readily in the market to prevent a loss or make the required profit.

Operational Risk

The Group faces various operational risks which are concerned with possible losses caused by human factors, inadequate or failed internal processes, systems or external events. Operational risk is mitigated and controlled through establishing robust internal controls, proper segregation of duties and effective internal reporting.

The business and operating line management are responsible for managing the operational risks of their business units on a day-to-day basis. Each department head has to identify risks, evaluate the effectiveness of key controls in place and assess whether the risks are effectively managed. Independent monitoring and reviews are conducted by the internal audit team which reports regularly to the respective senior management and the Audit Committee.

Bonus Issue of Warrants

As disclosed in the announcement of the Company dated 4 October 2024 and the circular of the Company dated 1 November 2024, on 4 October 2024, the Board proposed to make a bonus issue of warrants to qualifying shareholders of the Company on the basis of one warrant for every five ordinary shares held on 28 November 2024. Each warrant entitles the holder to subscribe in cash for one new ordinary share of the Company at an initial subscription price of HK\$1.00 (subject to adjustments) at any time during the period from the date of issue to 15 December 2027 (both days inclusive). The warrants are listed on The Stock Exchange of Hong Kong Limited (Warrant Code: 2478) and traded in board lots of 12,000 units each.

On 16 December 2024, a total of 271,327,392 units of warrants were issued by the Company to qualifying shareholders of the Company. As at 30 June 2025, 52,333,542 warrants were exercised and 218,993,850 units of warrants were outstanding.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, during the year ended 30 June 2025, the Group did not hold any other significant investments nor have any material acquisitions or disposals of subsidiaries, associates and joint ventures. Save as disclosed in this announcement, as at 30 June 2025, the Group did not have any plans for material investments or capital assets.

Capital Commitments

As at 30 June 2025, the Group had no material capital commitments contracted but not provided for.

Contingent Liabilities

As at the date of this announcement and as at 30 June 2025, the Board is not aware of any material contingent liabilities.

Important Events Affecting the Group After the End of the Financial Year

There are no important events affecting the Group after the end of the financial year and up to the date of this announcement.

Company Strategy

The Board believes that the performance of the equity investments will be dependent on market sentiment which is affected by factors such as commodity prices, interest rate movements, geopolitical conditions and performance of the macro economy. In order to mitigate the associated risks, the Group will review its investment strategy regularly and take appropriate actions whenever necessary in response to changes in market situation. In addition, the Group will also seek potential investment opportunities with an aim to maximise value for the shareholders.

Forward Looking Observations

A complex global economic outlook in FY2026 is anticipated, with fluctuations in US trade policies, intensifying geopolitical tensions and decelerating global growth. While the US economy has shown resilience, there is still uncertainty on the effect of US tariffs on inflation and demand, leading to difficulties in an interest rate cut decision. Meanwhile, the structural challenges of China persist without large scale stimulus, particularly in the property sector, with prices continue to fall this year, and China Producer Prices have deflated for 34 months, which contribute to subdued domestic demand. We believe that precious metals investment demand will continue to be strong, amid uncertainty around global economy and rising US debt levels. At the same time, we see opportunities in select commodities that are long-term beneficiaries of secular trends such as energy transition and increasing AI activity. We remain selective with our investments in the near term and continue to look for high-quality opportunities that will generate attractive returns over the long run. Our mining and energy investment portfolios are the platform for future mining and energy investments. Our largest investment is in Mount Gibson, which has successfully ramped up production at the Koolan Island mine and is now generating significant free cash flow over the remaining two years of mine life. On 16 July 2025, Mount Gibson has announced reaching agreement to acquire 50% of the CTPJV plus adjacent wholly owned exploration tenements from Northern Star. The acquisition provides Mount Gibson with an opportunity to leverage the success of its Koolan Island iron ore operation to establish the foundations of a gold production business.

DIVIDEND

The Board has recommended the payment of a final dividend of HK11 cents per share for the year ended 30 June 2025 (2024 final dividend: HK10 cents per share), payable to the shareholders of the Company (“**Shareholders**”) whose names appear on the register of members of the Company on Monday, 1 December 2025 subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company. The proposed final dividend will be paid on or around Tuesday, 16 December 2025.

For holders of the warrant(s) of the Company (Warrant Code: 2478) who wish to exercise the subscription rights attaching to the warrants and be entitled to the proposed final dividend, they must ensure that the subscription forms accompanied by the relevant warrant certificates and exercise money be lodged with the Company’s branch share registrar in Hong Kong for determining their entitlement not later than 4:30 p.m. on Wednesday, 26 November 2025.

CLOSURE OF REGISTERS OF MEMBERS AND WARRANT HOLDERS

(1) For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company scheduled to be held on Friday, 21 November 2025 (“2025 AGM”)

- | | |
|---|---|
| – Latest time to lodge transfer and/or subscription documents for registration with the Company’s branch share registrar in Hong Kong | At 4:30 p.m. on Monday, 17 November 2025 |
| – Closure of the register of members and the register of warrant holders of the Company | Tuesday, 18 November 2025 to Friday, 21 November 2025 (both days inclusive) |

(2) For determining the entitlement to the proposed final dividend for the year ended 30 June 2025

- Latest time to lodge transfer and/or subscription documents for registration with the Company's branch share registrar in Hong Kong At 4:30 p.m. on
Wednesday, 26 November 2025
- Closure of the register of members and the register of warrant holders of the Company Thursday, 27 November 2025 to
Monday, 1 December 2025
(both days inclusive)

During the above closure periods, no transfer of shares and warrants of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM and qualify for the proposed final dividend, (i) in the case of Shareholders, all transfers forms accompanied by the relevant share certificates; or (ii) in the case of warrant holders of the Company, all subscription forms accompanied by the relevant warrant certificates and exercise money, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the aforementioned latest time.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares, if any) during the year ended 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 30 June 2025, the Company has applied the principles of, and fully complied with, the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code under Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REVIEW OF RESULTS BY AUDIT COMMITTEE

The Group's final results for the year ended 30 June 2025 have been reviewed by the Audit Committee.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2025 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the FY2025. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

On behalf of the Board
APAC Resources Limited
Arthur George Dew
Chairman

Hong Kong, 26 September 2025

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

Executive Director

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. Wang Hongqian and Mr. Kelvin Chau Kwok Wing

* *For identification purpose only*