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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)

CONTINUING CONNECTED TRANSACTION

RENEWAL OF THE 2023 AGREEMENT

THE 2026 AGREEMENT

As the 2023 Agreement will expire on 31 December 2025, on 19 December 2025, the Company and AGL entered into the 2026 Agreement to renew the 2023 Agreement for a term of three years from 1 January 2026 to 31 December 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is indirectly held as to approximately 47.29% by AGL, and AGL is regarded as a connected person of the Company under the Listing Rules. As a result, the entering into of the 2026 Agreement by the Company constitutes a continuing connected transaction for the Company under the Listing Rules.

Pursuant to Rules 14A.73(8) and 14A.98 of the Listing Rules, the transaction regarding the sharing of the Administrative Services between the Company and AGL contemplated under the 2026 Agreement is fully exempt under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules calculated with reference to the Annual Caps exceeds 0.1% but all are less than 5%, the entering into of the 2026 Agreement (save for the sharing of the Administrative Services which is fully exempt) by the Company is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under the Listing Rules.

THE 2026 AGREEMENT

As the 2023 Agreement will expire on 31 December 2025, on 19 December 2025, the Company and AGL entered into the 2026 Agreement to renew the 2023 Agreement for a term of three years from 1 January 2026 to 31 December 2028.

The major terms of the 2026 Agreement are as follows:

Date	:	19 December 2025
Parties	:	The Company and AGL
Term	:	Three years commencing from 1 January 2026 and expiring on 31 December 2028
Nature of transaction	:	The Company agreed to reimburse AGL the costs incurred in respect of the Administrative Services and the Management Services provided by AGL to the Group on a cost basis.
Payment terms in respect of the sharing of the Management Services	:	The Group agreed to reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of the members of the Management Staff providing the Management Services to the Group, which will be payable by the Group on a quarterly basis. Such percentage, ranging from 5% to 60% (or such other percentage as supplemented and agreed by parties from time to time), varies among each member of the Management Staff providing the Management Services and would be determined by reference to the percentage of time currently estimated to be devoted by each member of the Management Staff to the affairs of the Group against the amount of time he/she would otherwise devote to the affairs of AGL and/or its wholly-owned subsidiaries as a full time employee of AGL and/or its wholly-owned subsidiaries.
Historical figures	:	The amount of fees paid and payable by the Group to AGL for the Management Services for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 were approximately HK$2,735,000, HK$2,574,000 and HK$2,150,000, respectively. The historical service fees paid by the Group reflected the actual level of requirement for the Management Services that were provided by the Management Staff.

Annual Caps and the basis of determining the same	:	In determining the Annual Caps, besides taking into account the historical figures of the service fees paid and payable by the Group, the Directors have also taken into consideration the existing scale of the Group's operations, the anticipated growth of the Group and the anticipated increase in the remuneration of those Management Staff who provide the Management Services to the Group, and having done so, the Annual Caps for the years ending 31 December 2026, 2027 and 2028 shall be HK$2,900,000, HK$3,190,000 and HK$3,510,000, respectively.
Reasons for and benefits of the transaction	:	The Directors consider that the sharing of the Administrative Services and the Management Services arrangement will benefit the Group in that both AGL and the Group can enjoy economies of scale brought by the sharing of the Administrative Services and the Management Services which will maximise cost efficiency and management effectiveness. In addition, since the Management Staff will devote part of their time to the affairs of the Group in the course of providing the Management Services to the Group, the Directors consider that it is reasonable for the Group to be charged for the Management Services on a cost-basis to reimburse the actual costs incurred by AGL.

INTERNAL CONTROL MEASURES

In order to safeguard the interests of the Company and Shareholders as a whole, the Group will adopt the following guidelines and principles in monitoring the transaction contemplated under the 2026 Agreement and the Annual Caps:

(i) the Company's finance department will be responsible for monitoring the transactions contemplated under the 2026 Agreement and the Annual Caps, carrying out periodic review and ascertaining the balance of the Annual Caps to ensure that the transactions are conducted in accordance with the terms of the 2026 Agreement and the Annual Caps are not exceeded and, if required, report to the Board to revise the Annual Caps and comply with the applicable requirements under Chapter 14A of the Listing Rules;

(ii) the Company's external auditors will conduct an annual review on the pricing and annual caps of the continuing connected transactions of the Company, including the transactions contemplated under the 2026 Agreement, and provide annual confirmations in accordance with the Listing Rules;

(iii) the independent non-executive Directors will conduct an annual review of the implementation of the continuing connected transactions of the Company, including the transactions contemplated under the 2026 Agreement and the Annual Caps on an annual basis, and provide annual confirmations in accordance with the Listing Rules; and

(iv) the Company will review the transactions contemplated under the 2026 Agreement and the Annual Caps on an annual basis, and improve on any inadequacies if required.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is indirectly held as to approximately 47.29% by AGL, and AGL is regarded as a connected person of the Company under the Listing Rules. As a result, the entering into of the 2026 Agreement by the Company constitutes a continuing connected transaction for the Company under the Listing Rules.

Pursuant to Rules 14A.73(8) and 14A.98 of the Listing Rules, the transaction regarding the sharing of the Administrative Services between the Company and AGL contemplated under the 2026 Agreement is fully exempt under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules calculated with reference to the Annual Caps exceeds 0.1% but all are less than 5%, the entering into of the 2026 Agreement (save for the sharing of the Administrative Services which is fully exempt) by the Company is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that although the transactions contemplated under the 2026 Agreement are not conducted in the ordinary and usual course of business of the Group, the 2026 Agreement was entered into after arm's length negotiations and on normal commercial terms and that the terms of the 2026 Agreement (including the Annual Caps) are fair and reasonable so far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, (i) Mr. Lee Seng Hui (a non-executive Director) is the chief executive and an executive director of AGL, and also one of the trustees of Lee and Lee Trust, being a discretionary trust which together with his personal interest, controls approximately 74.99% interest in the total number of issued shares of AGL, which is interested in approximately 47.29% of the total issued share capital of the Company; and (ii) Mr. Arthur George Dew (the chairman of the Company and a non-executive Director) is the chairman and a non-executive director of AGL and also a member of the Management Staff providing the Management Services to the Group.

Accordingly, in view of Mr. Lee Seng Hui's deemed shareholding in AGL and Mr. Arthur George Dew being one of the Management Staff, they have both abstained from voting on the relevant board resolutions of the Company.

Apart from the above, none of the Directors has any material interest in the 2026 Agreement and is required to abstain from voting on the board resolutions of the Company approving the 2026 Agreement and the transactions contemplated thereunder.

INFORMATION ABOUT THE COMPANY AND AGL

The Company

The Company is a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange.

The Group is an established investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment, resource investment, and commodity trading business, focused primarily on metals, mining and energy and investment in financial assets.

As at the date of this announcement, the Company is owned as to approximately 47.29% by AGL.

AGL

AGL is a company incorporated in Hong Kong with limited liability, a Substantial Shareholder of the Company and the shares of which are listed on the main board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are development and investment of residential, office and commercial properties, hospitality related activities, investment and operation of hospital, eldercare and health related businesses, provision of property management, cleaning and security guarding services, and the provision of finance, investments in listed and unlisted securities and funds management.

As at the date of this announcement, AGL is beneficially owned as to approximately 74.99% by Lee and Lee Trust (inclusive of Mr. Lee Seng Hui's personal interests), being a discretionary trust.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"2023 Agreement"	the agreement dated 23 December 2022 (as amended and supplemented by supplemental letters dated 10 January 2025 and 24 July 2025) entered into between the Company and AGL in respect of the sharing of the Administrative Services and the Management Services;
"2026 Agreement"	the agreement dated 19 December 2025 entered into between the Company and AGL in respect of the renewal of the 2023 Agreement;
"Administrative Services"	the corporate secretarial services, provision of registered office address, utilities services including water, electricity, telephone (including international telephone services) and internet, photocopying, postal, courier, delivery and other services ancillary to the day-to-day administration and operation of the Group as stipulated in the 2023 Agreement and the 2026 Agreement;
"AGL"	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 373), and a Substantial Shareholder of the Company;
"Annual Cap(s)"	the maximum annual transaction amount payable by the Group to AGL in respect of the Management Services for the 2026 Agreement for the three years ending 31 December 2028;
"Board"	the board of Directors;
"Company"	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 1104 and Warrant Code: 2478);
"connected person(s)"	having the meaning ascribed thereto under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;

"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Management Services"	the management, consultancy, strategic, internal audit, management information system consultancy and business advice service (as the case may be) provided by the Management Staff to the Group as stipulated in the 2023 Agreement and the 2026 Agreement;
"Management Staff"	the senior management and the selected staff of AGL and its wholly-owned subsidiaries;
"Shareholder(s)"	the shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Substantial Shareholder(s)"	having the meaning ascribed thereto under the Listing Rules; and
"%"	per cent.

On behalf of the Board
APAC Resources Limited
Andrew Ferguson
Executive Director

Hong Kong, 19 December 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
Mr. Wang Hongqian, Mr. Kelvin Chau Kwok Wing and Mr. Li Chak Hung

* *For identification purpose only*