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APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

**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 and potential investors of the Company that based on the preliminary review of the information currently available of the Group for 1H FY2023, it is expected to record a loss attributable to the Shareholders between HK\$20 million to HK\$90 million as compared to the loss attributable to the Shareholders of approximately HK\$275 million for 1H FY2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares 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 board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) 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 six months ended 31 December 2022 (“**1H FY2023**”), the results of the Group for 1H FY2023 are expected to record a loss attributable to the Shareholders between HK\$20 million to HK\$90 million as compared to the loss attributable to the Shareholders of approximately HK\$275 million for the six months ended 31 December 2021 (“**1H FY2022**”).

The reduction in the expected loss of the Group for 1H FY2023 compared with 1H FY2022 was primarily due to the resultant effect of (a) substantial reduction in impairment loss on the Group's interest in its principal associate, Mount Gibson Iron Limited (“MGX”); and (b) a reduction in segment profits and other fair value gains. For 1H FY2022, an impairment loss on MGX of over HK\$752 million (the “2022 Impairment Loss”) was incurred. Share price of MGX as at 31 December 2022 is A\$0.485 (the “Closing Price”) and the market capitalisation of the Group's investment in MGX as at the same date is less than its carrying amount (before sharing of the results of MGX for 1H FY2023). It is an indication that the Group's investments in MGX may be impaired. As at the date of this announcement, the Company has not yet determined the recoverable amount and impairment loss (if any) of its investment in MGX as at 31 December 2022. However, based on the Closing Price, it is expected that further impairment loss is required but it will be substantially less than the 2022 Impairment Loss. Nevertheless, the impairment losses on MGX for both periods are non-cash items that have not materially affected the cash position and the liquidity of the Group for 1H FY2022 and 1H FY2023.

The information contained in this announcement is only based on a preliminary review of the information currently available to the Board. It is subject to the finalisation of the consolidated management accounts of the Company for 1H FY2023, which in turn is subject mainly to the interim results of MGX for 1H FY2023 and determination of its impairment loss. It is not based on any figures or information which has been 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 FY2023 will be published by the Company within the timeframe stipulated under the Listing Rules.

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

Hong Kong, 14 February 2023

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*