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M-Resources Group Limited

脈資資源集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 08186)

ANNOUNCEMENT

Reference is made to the Company's annual reports for the years ended 31 December 2020 ("FY2020") and 2021 ("FY2021"). The Company would like to supplement further information relating to the annual reports. Terms used in this announcement shall have the same meaning as those defined in the said annual reports.

AUDIT QUALIFICATION FOR FY2021

The Group had disposed of certain entities in FY2020 and the relevant books and records of these entities were passed to the new owners. As the disposals were completed before engagement of the Company's current auditors, the auditors were unable to obtain sufficient evidence that they considered necessary to evaluate and determine whether such disposed groups were properly accounted for in FY2020. Therefore, a disclaimer opinion was reported by the auditors on the consolidated financial statements of the Group for FY2020. Given the possible effect of the above on the comparability of the figures for FY2021 and the corresponding figures for FY2020 in the consolidated financial statements of the Group for FY2021, the auditors' opinion for the consolidated financial statements of the Group for FY2021 is also modified. There was no disagreement between the audit committee and the management of the Company and the auditors regarding the above audit opinions. Based on the best of the Company's knowledge and understanding from the auditors, the said modification will not further carry forward to the Group's consolidated financial statements for the year ending 31 December 2022 and onward. As such, there is no action plan drawn by the management to address the audit qualification.

CORPORATE GOVERNANCE REPORT – RISK MANAGEMENT AND INTERNAL CONTROL

Due to constant changes in the business environment, the Board takes responsibility of periodic review of the risk management and internal control system of the Group to ensure the effectiveness and efficiency of operations, the reliability of internal and external reporting and the compliance with applicable laws and regulations. The Group's management is primarily responsible for designing and implementing the risk management and internal control policies and procedures while the Board and its audit committee oversee and review annually the effectiveness of the policies and procedures. The Company's internal audit function is performed by its finance department, which reports directly to the Directors and has direct access to the audit committee. The Company's finance department has unrestricted access to review all aspects of the Group's business operations and its internal audit functions include: (i) reviewing and reporting on internal and operational control policies and procedures; (ii) following-up on the suggestions made by external auditors; and (iii) reviewing the areas of concern identified by senior management. The Board considered that the risk management and internal control systems of the Group were effective and adequate in FY2020 and FY2021.

For and on behalf of the Board
M-Resources Group Limited
Leung Ka Ho
Company Secretary

Hong Kong, 29 June 2022

As at the date of this announcement, the Board comprises Ms. Chan Ho Yee as executive director, and Ms. Pang King Sze, Rufina, Mr. Hong Bingxian and Mr. Huang Zhe as independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for seven days from the date of its publication and will also be published on the website of the Company at www.m-resources.com.hk.