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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the Company's resumption announcement dated 31 January 2022 and annual report for the year ended 31 December 2020. The Company would like to supplement further information relating to the above announcement and the annual report. Terms used in this announcement shall have the same meaning as those defined therein.

RESTRUCTURING OF THE GROUP'S BUSINESSES

The Group has been engaged in the sale of wood products (wooden furniture and household products) under its forestry and agricultural business since 2016, which originally involved timber logging, sourcing and processing of the wood resources in Cambodia and distribution of such wood products from Cambodia to customers in the PRC. Subsequently in 2020, in consideration of the minimal assets and operations and the prolonged net liabilities position and loss-making situation of Green Resources Group and Other Disposed Company (i.e. the subsidiaries engaged in timber logging, sourcing of the wood resources in Cambodia), the Group underwent a restructuring and disposed of these subsidiaries. Based on the minimal assets and operations of the disposed subsidiaries and the minimal inter-company transactions between the disposed subsidiaries and the remaining operation of the business, the disposal constituted a de minimis transaction of the Group under the relevant size tests of the Listing Rules. On the other hand, in view of the impact of the COVID-19 pandemic on different product mixes, market segments and geographical locations to different extents, the Group has since early 2020 extended the forestry and agricultural business outside Cambodia. Given that the original operation of the forestry and agricultural business was in Cambodia while the extended operation of the forestry and agricultural business is outside Cambodia, the original operation of the forestry and agricultural business in Cambodia was treated as discontinued operation for the year ended 31 December 2019 under the relevant accounting standards. Since FY2020, the Group renamed the continuing operation of the forestry and agricultural business outside Cambodia as the plantation and household business for differentiation from the discontinued business operation under the forestry and agricultural business in Cambodia.

The Company would like to clarify that the Group's operating business segments are based on products and services and both the forestry and agricultural business and the plantation and household business involved the sale of plantation and household products. However, the discontinued business operation under the forestry and agricultural business referred to the operations in Cambodia and the sale of wood and agricultural products from Cambodia to the PRC while the continuing business operation of the plantation and household business referred to the operations and the sale of plantation and household products outside Cambodia.

For and on behalf of the Board of
M-Resources Group Limited

Leung Ka Ho
Company Secretary

Hong Kong, 19 July 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 Company Announcements" page of the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> for seven days from the date of its publication and on the website of the Company at <http://www.m-resources.com.hk>.