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北大资源
PKU RESOURCES

Peking University Resources (Holdings) Company Limited

北大资源(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00618)

PROPOSED SHARE PREMIUM REDUCTION

The Board intends to put a proposal to the Shareholders at the Annual General Meeting to approve the Share Premium Reduction.

A circular containing, among other things, further details of the Share Premium Reduction together with a notice convening the Annual General Meeting will be despatched to Shareholders as soon as practicable.

SHARE PREMIUM REDUCTION

Proposal

The Board intends to put a proposal to the Shareholders at the Annual General Meeting to approve the Share Premium Reduction.

As at 31 December 2018, the amount standing to the credit of the Share Premium Account was approximately HK\$2,689,318,000. It is proposed that (i) the Share Premium Account be reduced by the amount of HK\$2,689,000,000 and the credit amount arising from such reduction of the Share Premium Account be transferred to the Contributed Surplus Account; (ii) the necessary amount standing to the credit of Contributed Surplus Account be applied to set off against the amount of entire accumulated losses of the Company, and (iii) the Directors be authorised to utilise and apply any credit balance in the Contributed Surplus Account in the future in accordance with the Bye-laws and all applicable laws (including the application of any credit balance to set off against the amount of entire accumulated losses of the Company), as and when the Directors may consider appropriate.

Reasons for the Share Premium Reduction

The Directors propose the Share Premium Reduction as they consider it unnecessary to maintain the Share Premium Account at its current level. In addition, the laws of Bermuda provides for limited use of the amount standing to the credit of the Share Premium Account. The Share Premium Reduction and the subsequent transfer of the credit amount arising therefrom to the Contributed Surplus Account will increase the distributable reserves of the Company and give the Company greater flexibility. The Contributed Surplus Account is a distributable reserve which is available to be applied by the Company in a more general manner, including but not limited to, making distributions to the Shareholders, paying up bonus shares, and setting off against the amount of entire accumulated losses of the Company. The Board believes that the Share Premium Reduction is in the interests of the Company and the Shareholders as a whole.

Effect of the Share Premium Reduction

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the par value of the Shares or the trading arrangements concerning the Shares. Save for the expenses incurred by the Company in relation to the Share Premium Reduction, the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon:

1. the passing of a special resolution by the Shareholders to approve the Share Premium Reduction at the Annual General Meeting; and
2. the compliance with section 46(2) of the Companies Act, including (i) the publication of a notice in relation to the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the Effective Date, and (ii) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the date of the Annual General Meeting.

GENERAL

A circular containing, among other things, further details of the Share Premium Reduction together with a notice convening the Annual General Meeting will be despatched to the Shareholders as soon as practicable. No Shareholder is required to abstain from voting on the resolution proposed to consider and approve the Share Premium Reduction.

DEFINITIONS

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

“Annual General Meeting”	the forthcoming annual general meeting of the Company or any adjournment thereof
“Board”	the board of Directors of the Company
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Peking University Resources (Holdings) Company Limited (北大資源(控股)有限公司) (Stock code: 00618), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Contributed Surplus Account”	the contributed surplus account of the Company
“Directors”	the directors of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective which is expected to be the date of the Annual General Meeting, subject to approval by the Shareholders of the relevant special resolution approving the Share Premium Reduction at the Annual General Meeting
“Share(s)”	ordinary share(s) with a par value of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Share Premium Account”	the share premium account of the Company

“Share Premium Reduction” (i) the reduction of the Share Premium Account by the amount of HK\$2,689,000,000 and the transfer of the credit amount arising from such reduction of the Share Premium Account to the Contributed Surplus Account; (ii) the application of the necessary amount standing to the credit of Contributed Surplus Account to set off against the amount of entire accumulated losses of the Company, and (iii) the granting of an authority to the Directors to utilise and apply any credit balance in the Contributed Surplus Account in the future in accordance with the Bye-laws and all applicable laws (including the application of any credit balance to set off against the amount of entire accumulated losses of the Company), as and when the Directors may consider appropriate

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Peking University Resources (Holdings) Company Limited
Cheung Shuen Lung
Chairman

Hong Kong, 1 April 2019

As at the date of this announcement, the Board comprises executive Directors of Mr. Cheung Shuen Lung (Chairman), Mr. Zeng Gang (President), Ms. Sun Min, Mr. Ma Jian Bin, Ms. Liao Hang and Mr. Zheng Fu Shuang, and the independent non-executive Directors of Mr. Li Fat Chung, Ms. Wong Lam Kit Yee and Mr. Chan Chung Kik, Lewis.