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Peking University Resources (Holdings) Company Limited

北大資源(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00618)

SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that, on 15 March 2023, the Company (as issuer) entered into the Subscription Agreement with the Subscriber in respect of the Subscription of 1,161,231,129 Subscription Shares at the Subscription Price of HK\$0.10 per Share.

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM.

Given that completion of the Subscription is subject to conditions and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that, on 15 March 2023, the Company (as issuer) entered into the Subscription Agreement with the Subscriber in respect of the Subscription of an aggregate of 1,161,231,129 Subscription Shares at the Subscription Price of HK\$0.10 per Share.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date: 15 March 2023

Parties to the Subscription Agreement:

- (1) the Company, as the issuer; and
- (2) the Subscriber.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner is an Independent Third Party.

Subscription Shares

The 1,161,231,129 Subscription Shares represent (i) approximately 14.80% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.89% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date save for the issue of the Subscription Shares). The aggregate nominal value of the Subscription Shares will be HK\$116,123,112.9.

Rights of the Subscription Shares

The Subscription Shares will be fully paid and rank *pari passu* with all other issued Shares in all respects as at the date of issue.

The Subscription Price

The Subscription Price is HK\$0.10 per Share, which represents:

- (i) a discount of approximately 10.71% over the closing price of HK\$0.112 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 9.91% to the average of the closing prices of approximately HK\$0.111 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber and was determined with reference to recent market prices of the Shares and the prevailing market conditions.

Payment of the Subscription Price

As at the date of this Announcement, the Group is indebted to the Subscriber in the aggregate amount of approximately HK\$163 million, i.e. the Debt. The Subscriber shall satisfy the total Subscription Price by setting off against the equivalent amount of the Debt on a dollar-for-dollar basis on Completion. After the offsetting, the outstanding Debt owed by Company to the Subscriber will be approximately HK\$47 million.

Condition Precedent for the Subscription

Completion is conditional upon the fulfilment or waiver of the following conditions:

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (ii) (if applicable) obtaining all necessary approvals from and making all necessary filings with any government, regulatory authority or any other person in connection with the entering into and performing the obligations under the Subscription Agreement by the Company (including but not limited to the issue and allotment of the Subscription Shares);
- (iii) the representations and warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the Completion Date and the Company having fully performed its obligations under the Subscription Agreement prior to and on the Completion Date;
- (iv) the representations and warranties of the Subscriber under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the Completion Date and the Subscriber having fully performed its obligations under the Subscription Agreement prior to and on the Completion Date; and
- (v) the listing of the Shares of the Company has not been revoked, the Shares continue to be listed on the Stock Exchange (except for any trading halt or suspension less than seven consecutive trading days).

If the above conditions are not fulfilled or waived (the conditions (i) to (ii) above cannot be waived, the conditions (iii) and (v) can be waived by the Subscriber only and the condition (iv) can be waived by the Company only) on 31 March 2023 (or such other date as may be agreed in writing between the Company and the Subscriber), the Company may terminate the Subscription Agreement by giving written notices to the Subscriber. In that case, the Subscriber's obligation to subscribe for and the Company's obligation to issue, allot and deliver the Subscription Shares shall terminate.

Completion

Subject to the fulfilment or waiver (where applicable) of the conditions precedent, the Completion shall take place on the second Business Day after the conditions precedent have been fulfilled (or such other date as the parties thereto may agree).

Lock-up undertakings

The Subscriber unconditionally and irrevocably undertakes to the Company that:

- (i) the Subscriber shall not, without the prior written consent of the Company, at any time during the period of 18 months from the Completion Date directly or indirectly, dispose of any Subscription Shares or dispose of any interest in any company or entity holding any Subscription Shares in any manner whatsoever or publicly announce any intention or enter into any transaction with the same economic effect, directly or indirectly; and
- (ii) if the Subscriber disposes of any Subscription Shares at any time after a period of 18 months from the Completion Date, the Subscriber shall ensure that such disposal complies with all applicable laws (including the Listing Rules) and will use its best endeavours to ensure that any such disposal will not create a disorderly or false market in the Shares.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorized to issue is 1,283,231,129 Shares, representing 20% of the number of issued Shares as at the date of the AGM.

As disclosed in the announcement of the Company dated 9 March 2023, the Company (as issuer) entered into two subscription agreements with two subscribers in respect of the subscriptions of an aggregate of 122,000,000 subscription shares to be issued under the General Mandate. Such subscriptions are expected to complete on 17 March 2023. Should such subscriptions be completed, the remaining number of Shares under the General Mandate is sufficient for the allotment and issue of the Subscription Shares. Save as disclosed above, since the date of the AGM and up to the date of this announcement, no other new Shares have been or proposed to be allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 618). The Group is principally engaged in distribution of information products, property development and property investment businesses.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Subscriber is wholly-owned by Mr. Oh Choon Gan, Eric, who is a Singaporean. Mr. Oh is an entrepreneur and has over 30 years of experience in audit, financial advisory and corporate finance.

As at the date of this announcement, the Subscriber does not have any shareholding in the Company. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner is an Independent Third Party.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date, is as follows:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Ample Grace Investments Limited ("Ample Grace")	1,918,000,000	24.44%	1,918,000,000	21.29%
Firstunion Animation Technology (HK) Co., Limited	1,276,814,973	16.27%	1,276,814,973	14.17%
Mr. Wong Kai Ho (<i>Note 1</i>)	6,416,155	0.08%	6,416,155	0.07%
Mr. Xia Ding (<i>Note 2</i>)	38,000,000	0.48%	38,000,000	0.42%
Mr. Jiang Xiaoping (<i>Note 3</i>)	34,000,000	0.43%	34,000,000	0.38%
The Subscriber	–	–	1,161,231,129	12.89%

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Public Shareholders				
Starry Nation Limited	534,984,000	6.82%	534,984,000	5.94%
Rongtong Ronghai No. 10 SNIA QDII	512,784,000	6.54%	512,784,000	5.69%
Other public Shareholders	<u>3,525,438,859</u>	<u>44.93%</u>	<u>3,525,438,859</u>	<u>39.14%</u>
Total (Note 4)	<u><u>7,846,437,987</u></u>	<u><u>100%</u></u>	<u><u>9,007,669,116</u></u>	<u><u>100%</u></u>

Notes:

1. Mr. Wong Kai Ho is an executive Director and chairman of the Board. Apart from his personal interest in 6,416,155 Shares, Mr. Wong Kai Ho is deemed to be interested in the 1,918,000,000 Shares held by Ample Grace, a company is owned as to 40% by Mr. Wong Kai Ho.
2. Mr. Xia Ding is the chief operational officer of the Company.
3. Mr. Jiang Xiaoping is the deputy chief executive officer of the Company.
4. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company had not conducted any equity fund raising activities in the twelve months immediately preceding the date of this announcement.

Date of the announcement	Fundraising activities	Net proceeds raised or expected to be raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the date of this announcement
22 August 2022 and 24 October 2022	Issue and allotment of 1,283,231,129 Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 1 March 2022	HK\$128,223,000	(i) repayment of the debts of the Group; and (ii) general working capital	Fully applied as intended
9 March 2023	Proposed issue and allotment of 122,000,000 Shares under the General Mandate, which is expected to complete on 17 March 2023	HK\$12,100,000	(i) repayment of the debts of the Group; and (ii) general working capital	N/A

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

As at the date of this announcement, the Group is indebted to the Subscriber the Debt amounting to approximately HK\$163 million. It is agreed between the parties to the Subscription Agreement that the total Subscription Price shall be satisfied by setting off against the equivalent amount of the Debt on a dollar-for-dollar basis on Completion. The Board considers that the Subscription can (i) relieve the Group from repayment obligations of the indebtedness owed to the Subscriber; (ii) maintain available cash for the future business development of the Group; and (iii) enlarge the Shareholders' base by introducing a new substantial Shareholder. In addition, the Subscription Price was determined with reference to recent market prices of the Shares and the prevailing market conditions. As such, the Board considers that the Subscription Agreement is made on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Subscription will be approximately HK\$116,123,000. The net proceeds from the Subscription (after deducting all applicable costs and expenses of the Subscription) will be approximately HK\$116,023,000 and a net issue price is approximately HK\$0.10 per Subscription Share.

Given that completion of the Subscription is subject to conditions and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 15 September 2022
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday, public holiday or any day on which tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Peking University Resources (Holdings) Company Limited, a company incorporated in the Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 618)
“Completion”	completion of the Subscription
“Completion Date”	the date of Completion
“Debt”	the indebtedness in the aggregate amount of approximately HK\$163 million owed by the Group to the Subscriber as at the date of this announcement
“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the then number of the issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a person or entity which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Wealth Elite Group Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 15 March 2023 and entered into between the Company (as issuer) and the Subscriber
“Subscription Price”	HK\$0.10 per Subscription Share
“Subscription Shares”	an aggregate of 1,161,231,129 new Shares to be subscribed by the Subscriber under the Subscription Agreement
“%”	per cent.

By order of the Board
Peking University Resources (Holdings) Company Limited
Wong Kai Ho
Chairman

Hong Kong, 15 March 2023

As at the date of this announcement, the Board comprises executive Directors of Mr. Wong Kai Ho (Chairman), Mr. Wang Guiwu, Mr. Huang Zhuguang and Mr. Guo Langhua; and the independent non-executive Directors of Mr. Chin Chi Ho, Stanley, Mr. Chung Wai Man and Mr. Hua Yichun.