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资源控股

RESOURCES HOLDINGS

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)

**SUPPLEMENTAL ANNOUNCEMENT
NON-COMPLIANCE OF THE LISTING RULES IN RELATION TO
PAST NOTIFIABLE TRANSACTIONS,
PAST CONNECTED TRANSACTIONS
AND
PAST CONTINUING CONNECTED TRANSACTIONS**

Reference is made to (i) the announcement of the Company dated 15 July 2022 in relation to the non-compliance of the Listing Rules in relation to past notifiable transactions, past connected transactions and past continuing connected transactions; (ii) the Investigation Result Announcement in relation to major findings of the Independent Investigation; and (iii) the IC Review Announcement in relation to the key findings of the Internal Control Review. Unless otherwise stated, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcements.

The Company noted that there were other past notifiable transactions and past continuing connected transactions not included in the announcement of the Company dated 15 July 2022. Details of these past notifiable transactions and past continuing connected transactions are set out in this announcement.

Based on the limited information currently available, the Company is of the view that the Past Transactions constituted notifiable transactions, connected transactions and/or continuing connected transactions under Chapters 14 and 14A of the Listing Rules. The Past Transactions failed to comply with the requirements of the relevant provisions of Chapter 14 and Chapter 14A of the Listing Rules.

As the Past Transactions had taken place, the Board will not submit the Past Transactions for approval by the independent Shareholders.

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 15 July 2022 in relation to the non-compliance of the Listing Rules in relation to past notifiable transactions, past connected transactions and past continuing connected transactions; (ii) the Investigation Result Announcement in relation to major findings of the Independent Investigation; and (iii) the IC Review Announcement in relation to the key findings of the Internal Control Review (together the “**Announcements**”). Unless otherwise stated, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcements.

As disclosed in the Investigation Result Announcement, during the period from 2016 to 2021, certain former subsidiaries of the Company had entered into several transactions with Resources Group, a former controlling Shareholder. Based on the limited information currently available, the Company is of the view that these transactions constituted notifiable transactions, connected transactions and/or continuing connected transactions under Chapters 14 and 14A of the Listing Rules.

The Company noted that there were other past notifiable transactions and past continuing connected transactions not included in the announcement of the Company dated 15 July 2022. Details of these past notifiable transactions and past continuing connected transactions are set out in this announcement.

A. DEPOSITS BY FORMER SUBSIDIARIES OF THE COMPANY

During the year ended 31 December 2020, Resources Investment, a former subsidiary of the Company, deposited funds with Resources Group and an associate of Resources Group (the “**RI Deposits**”):

Parties to the transaction

- (1) Resources Investment;
- (2) Resources Group; and
- (3) An associate of Resources Group.

Details of the deposits are set out below:

Year ended 31 December	Total deposits made (RMB million) (approximate)
2020	89.4

Listing Rules Implications

The RI Deposits placed by the Resources Investment with Resources Group, a former controlling Shareholder, and an associate of Resources Group, constituted financial assistance as defined under Rule 14.04(1)(e) of the Listing Rules. As all the applicable percentage ratios in respect of the RI Deposits for the year ended 31 December 2020 were more than 5% but less than 25%, the RI Deposits constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules for the said year and should have been subject to reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

Furthermore, during the material time, Resources Group, being a former controlling Shareholder interested in more than 10% shareholding of the Company prior to October 2021, was a connected person of the Company. As such, the RI Deposits constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and should have been subject to reporting, announcement, circular and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Based on the information currently available, it appears that the Company did not comply with the requirements of Chapters 14 and 14A of the Listing Rules in respect of the RI Deposits.

B. PAYMENT-ON-BEHALF OF ASSOCIATES OF A SHAREHOLDER

On 7 June 2018, the Company and Resources Group entered into the technical support services agreement pursuant to which the Company will provide management and consultancy services on various matters to Resources Group (the “**Technical Support Services Agreement**”). The Technical Support Services Agreement was approved by independent Shareholders on 26 July 2018 which had an expiry date of 31 December 2020. However, it appears to the Company that in addition to providing management and consultancy services, Resources Investment, a former subsidiary of the Company, also made payments of salaries, social insurance and other expenses on behalf of certain associates of Resources Group.

Parties to the transaction

- (1) Resources Investment; and
- (2) Certain associates of Resources Group (the “**RG Associates**”).

Details of the payment-on-behalf of the RG Associates are:

Year ended 31 December	Total payment- on-behalf (RMB million) (approximate)
2020	<u><u>4.2</u></u>

Listing Rules Implications

The payment-on-behalf by Resources Investment, a former subsidiary of the Company, for the RG Associates constituted financial assistance as defined under Rule 14.04(1)(e) of the Listing Rules. As all the applicable percentage ratios in respect of the payment-on-behalf by Resources Investment for the year ended 31 December 2020 were less than 5%, the payment-on-behalf did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules for the said year.

Furthermore, during the material time, Resources Group, being a former controlling Shareholder interested in more than 10% shareholding of the Company prior to October 2021, was a connected person of the Company. As such, the payment-on-behalf by Resources Investment constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and should have been subject to reporting and announcement as set out in Chapter 14A of the Listing Rules.

Based on the information currently available, it appears that the Company did not comply with the requirements of Chapter 14A of the Listing Rules in respect of the payment-on-behalf by Resources Investment.

C. AGGREGATION OF THE PAST TRANSACTIONS

As the counterparties of the Kunshan Hi-tech Deposits, the assumption of the Kunshan Hi-Tech Debt, the Qingdao Boya Deposits, the assumption of the Qingdao Boya Debt and the CITIC Loan Transfer disclosed in the announcement of the Company dated 15 July 2022 and the RI Deposits and payment-on-behalf by Resources Investment for the RG Associates disclosed in this announcement (the transactions disclosed in the announcement of the Company dated 15 July 2022 and this announcement, together the “**Past Transactions**”) were Resources Group and its associates, the Past Transactions should be aggregated pursuant to Rule 14.22 of the Listing Rules for each said twelve-month period. Based on the limited information currently available, as one or more of the applicable percentage ratios in respect of the Past Transactions, on an aggregate basis, exceeded 100% for each of the years ended 31 December 2017, 2018, 2019 and 2020, the Past Transactions constituted a major transaction of the Company under Chapter 14

of the Listing Rules for each of the said years and should have been subject to reporting, announcement, circular and shareholders' approval requirements as set out in Chapter 14 of the Listing Rules.

D. OTHER ISSUE

It is noted that the Company was unable to locate written documents in respect of transactions disclosed in this announcement, namely, the RI Deposits and the payment-on-behalf by Resources Investment for RG Associates, as such it appears that the Company did not comply with the requirements under Rule 14A.34 of the Listing Rules that the Group must enter into written agreements for connected transactions or continuing connected transactions.

REASONS FOR THE PAST TRANSACTIONS

Prior to October 2021, Resources Group was an indirect controlling Shareholder. During the material time, Resources Group had conducted the overall fund management of the subsidiaries of the Company which are engaged in real estate development business (the “**Real Estate Subsidiaries**”). Resources Group transferred funds to the Real Estate Subsidiaries and the Real Estate Subsidiaries also transferred or deposited their funds to Resources Group in accordance with the instructions given by the Treasury Department of Resources Group for centralized fund allocation. The Kunshan Hi-Tech Deposits, Qingdao Boya Deposits and the RI Deposits were made under such centralized fund allocation arrangements.

INFORMATION ABOUT THE PARTIES

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.

Resources Group

Based on information available to the Company, Resources Group is a comprehensive technology and innovation services holding group specialized in real estate development, investment and development of technology and innovation industry, educational investment, commercial real estate operation, and property operation and management. The Company understands that Resources Group have undergone substantive consolidated restructuring together with Peking Founder and three other companies on the grounds of the highly mixed legal personalities of Peking Founder, Resources Group and three other companies.

Resources Investment

Resources Investment is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Disposal Company. The Disposal Company, a company incorporated in Hong Kong with limited liability, was a direct wholly-owned subsidiary of the Company prior to the Disposal on 25 March 2022. The principal business activity of Resources Investment is investment holding.

NON-COMPLIANCE OF LISTING RULES

The Past Transactions occurred between the period from 2016 to 2021. The Past Transactions failed to comply with the requirements of the relevant provisions of Chapters 14 and 14A of the Listing Rules. These requirements require the publication of an announcement as soon as the terms of a notifiable transaction, connected transaction or continuing connected transaction have been finalized; sending a circular to Shareholders and the Stock Exchange to provide details of a major transaction, connected transaction or continuing connected transaction of the Company which should be subject to the approval of Shareholders, conducting such transaction only upon the approval of Shareholders and entering into written agreement for any connected transaction or continuing connected transaction.

As at the date of this announcement, the Past Transactions had taken place, and they were identified by the Company following the investigation by the Special Investigation Committee and the Investigation by the Investigator appointed by the Special Investigation Committee. Following the completion of the Disposal, apart from the CITIC Loan which is still accounted for by the Group, the Group no longer accounts for all other Past Transactions.

As the Past Transactions had taken place, the Board will not submit the Past Transactions for approval by the independent Shareholders.

The Company has appointed BizGear Corporate Consulting Limited as the Internal Control Consultant of the Company, and as disclosed in the IC Review Announcement, the Company has responded with remedial action plans with respect to material weaknesses and deficiencies identified by the Internal Control Consultant. The Company has established a new internal control manual with respect to financial, operational, and corporate governance perspective. In addition, the Company also established the OA system, which is an office communication and approval model based on automation technologies with established procedures for control purpose.

The Company shall continue to enhance its internal control system and strictly enforce the compliance with the internal control manual and risk control matters of its business operations, thereby avoiding the re-occurrence of similar incidents.

The Board and the Audit Committee have reviewed the IC Review Report and considers that (i) the Internal Control Review has adequately assessed the effectiveness of the internal controls of the Group and ascertained certain internal control deficiencies; (ii) the identified internal control deficiencies have been remediated; and (iii) the remedial actions and improvement measures implemented by the Group are adequate and sufficient to address the identified internal control deficiencies, including those relevant to the Misappropriation and the Misconduct. The Board and the Audit Committee are of the view that the Company has in place adequate internal controls and procedures to comply with the Listing Rules.

IMPACT ON THE FINANCIAL AND OPERATION POSITIONS OF THE GROUP

The Company completed the Disposal in March 2022. The matters relating to the RI Deposits and payment-on-behalf by Resources Investment for the RG Associates are no longer accounted for by the Group following the deconsolidation of the Disposal Group.

Please refer to the announcement of the Company dated 15 July 2022 for further details of the impact of the Misappropriation and the Misconduct on the financial and operation positions of the Group.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 26 April 2021 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 22 July 2022

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