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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)**

**FULFILMENT OF RESUMPTION GUIDANCE  
AND  
RESUMPTION OF TRADING**

**Financial adviser to  
Peking University Resources (Holdings) Company Limited**



**首控集團**  
CHINA FIRST CAPITAL GROUP

**FIRST CAPITAL INTERNATIONAL FINANCE LIMITED**

This announcement is made by Peking University Resources (Holdings) Company Limited pursuant to Rule 13.09 and Rule 13.24A of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to:

- (i) the announcement of the Company dated 26 April 2021 in relation to the suspension of trading in the Shares;
- (ii) the announcement of the Company dated 10 December 2021 regarding the suspected Misappropriation and Misconduct;
- (iii) the announcements of the Company dated 28 July 2021 and 21 January 2022 in relation to the Resumption Guidance received from the Stock Exchange (the “**Resumption Guidance Announcements**”);
- (iv) the announcement of the Company dated 21 January 2022 in relation to the Disposal;

- (v) the announcement of the Company dated 24 January 2022 in relation to litigation against a former executive Director;
- (vi) the announcement of the Company dated 15 February 2022 in relation to the interim results of the Group for the six months ended 30 June 2021 (the “**2021/22 Interim Results**”);
- (vii) the announcement of the Company dated 28 June 2022 in relation to the final results of the Group for the fifteen months ended 31 March 2022 (the “**2021/22 Financial Results**”);
- (viii) the announcement of the Company dated 4 July 2022 in relation to the major findings of the Independent Investigation;
- (ix) the announcement of the Company dated 5 July 2022 in relation to the key findings of the Internal Control Review;
- (x) the announcements of the Company dated 15 July 2022 and 22 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; and
- (xi) the announcements of the Company dated 26 July 2022 in relation to the quarterly update on suspension of trading in the Shares (together the “**Announcements**”).

References are also made to (i) the 2020 Annual Report published by the Company on 12 January 2022; (ii) the interim report of the Company for the six months ended 30 June 2021 (the “**2021/22 Interim Report**”) published by the Company on 22 February 2022; (iii) the circular published by the Company on 4 March 2022 in relation to the Disposal (the “**Circular**”); and (iv) the financial report of the Company for the fifteen months ended 31 March 2022 (the “**2021/22 Financial Report**”) published by the Company on 26 July 2022.

Unless otherwise stated, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcements.

The Board is pleased to inform the Shareholders that the Company has fulfilled all the Resumption Guidance and an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 August 2022.

Details of the fulfilment of the Resumption Guidance are set out below.

## **BACKGROUND**

The Shares have been suspended from trading since 26 April 2021. As disclosed in the announcement of the Company dated 28 April 2021, the Company had to delay the publication of the 2020 Annual Report as more time was needed for the Company to finalize certain information in the 2020 Annual Report.

As disclosed in the Resumption Guidance Announcements, the Stock Exchange imposed the following Resumption Guidance:

- (1) publish the revised consolidated financial statements of the Company for the year ended 31 December 2020 and address any audit modifications;
- (2) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;
- (3) announce all material information for the Company's shareholders and investors to appraise the Company's position;
- (4) publish all outstanding financial results and address any audit modifications;
- (5) conduct an independent investigation into the Misappropriation and Misconduct, announce the investigation findings, assess and announce the impact on the Company's financial and operation position, and take appropriate remedial actions; and
- (6) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules.

#### **FULFILMENT OF RESUMPTION GUIDANCE**

**Resumption Guidance 1 – publish the revised consolidated financial statements of the Company for the year ended 31 December 2020 and address any audit modifications**

**Resumption Guidance 4 – publish all outstanding financial results and address any audit modifications**

#### ***Publication of financial results***

On 12 January 2022, the Company published the 2020 Annual Report.

On 15 February 2022, the Company announced the 2021/22 Interim Results and on 22 February 2022, the Company published the 2021/22 Interim Report.

On 28 June 2022, the Company announced the 2021/22 Financial Results and on 26 July 2022, the Company published the 2021/22 Financial Report.

As at the date of this announcement, all outstanding financial results of the Company required under the Listing Rules have been published.

### *Audit modifications in the 2020 Annual Report*

As provided in the independent auditor's report by Ernst & Young (the "2020 Audit Report"), the former auditor of the Company, for the consolidated financial statements of the Group for the year ended 31 December 2020 (the "2020 Financial Statements"), Ernst & Young, did not express an opinion on the 2020 Financial Statements (the "EY Disclaimer of Opinion"). Because of the significance of the matters described in the section headed "Basis for Disclaimer of Opinion" in the 2020 Audit Report, Ernst & Young considered that it was not possible for them to form an opinion on the 2020 Financial Statements. In all other respects, in Ernst & Young's opinion, the 2020 Financial Statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Set out below is Ernst & Young's basis for EY Disclaimer of Opinion as contained in the 2020 Audit Report and the responses of the Company to address each of the basis:

(a) *Multiple uncertainties relating to going concern*

<b>Basis of EY Disclaimer of Opinion</b>	<b>The Company's Responses</b>
"As set out in note 2.1 to the 2020 Financial Statements, the Group incurred a net loss of RMB1,845,038,000 for the year ended 31 December 2020. As at 31 December 2020, the Group had a net deficit attributable to the owners of the parent of RMB1,844,135,000 and the Group's current liabilities exceeded its current assets by RMB2,233,397,000."	For the year ended 31 December 2020, the Group reported a net loss of approximately RMB1,845.0 million of which the net loss attributable to owners of the Company amounted to approximately RMB2,025.4 million. As reported in the 2021/22 Financial Results and the 2021/22 Financial Report, the Group reported a net loss of approximately RMB433.7 million for the fifteen months ended 31 March 2022, of which profit attributable to owners of the Company amounted to approximately RMB1,509.5 million. This represented a significant improvement on the financial performance of the Group as a whole.

<b>Basis of EY Disclaimer of Opinion</b>	<b>The Company's Responses</b>
	<p>As at 31 December 2020, the Group had a net deficit attributable to the owners of the Company of approximately RMB1,844.1 million and the Group had a net deficit of approximately RMB708.0 million. As reported in the 2021/22 Financial Report, as at 31 March 2022, the Group had net deficit attributable to the owners of the Company of approximately RMB462.1 million and the Group had net assets of approximately RMB2,388.5 million. Although the Company still had net deficit attributable to the owners of the Company as at 31 March 2022, the Group had turned around the net deficit position to net asset position. The net deficit attributable to owners of the Company as at 31 March 2022 had decreased by approximately 75.0% compared to that of 31 December 2020 and the management of the Company is confident that based on current operation level of the Group, the Group could turn around this net deficit position to net asset position by 31 March 2023. Assuming that there is no major disruption of the operating environment and conditions, the Company expects that the prospects of the principal businesses of the Group to remain positive, leading to an improvement in the financial performance of the Group.</p>
<p>“In addition, as a result of the default repayments of the Group’s borrowings and the Peking Founder Reorganization, ..., the Group was not able to fulfil certain covenants relating to borrowings of RMB12,138,944,000 and these borrowings became repayable on demand as at 31 December 2020. There were also legal actions initiated by certain lenders against the Group to demand repayment of borrowings and/or to secure their interests in the Group assets.”</p>	<p>As at 31 March 2022, the Group had “Interest-bearing bank and other borrowings” of approximately RMB4,518.0 million in aggregate which is significantly less than that as at 31 December 2020 of approximately RMB12,173.9 million. The decrease in interest-bearing bank and other borrowings of the Group was mainly due to the completion of the Disposal in March 2022 as substantial amount of bank and other borrowings was attributable to the Disposal Group.</p> <p>Further details on the Company’s actions taken and to be taken in response to the basis of “going concern” are set out in the Company’s response in the sub-section (b) headed “Going concern” under the section headed “Audit modifications in the 2021/22 Financial Results and 2021/22 Financial Report” below.</p>

<b>Basis of EY Disclaimer of Opinion</b>	<b>The Company's Responses</b>		
<p>“In 2021, the High Court of Hong Kong has appointed liquidators of Founder Information, the then immediately holding company of the Company. The liquidator shall have the powers, including but not limited to, taking possession of the property of Founder Information and selling any of the property of Founder Information (including the shares of the Company).”</p>	<p>Based on information available to the Company, Founder Information (acting by the liquidators of Founder Information) disposed of its controlling stake in the Company during the period between June 2021 and October 2021. Based on information available to the Company, set out below is the latest shareholding of the Company:</p>		
	<p><b>Shareholders</b></p>	<p><b>No. of Shares held</b></p>	<p><b>Approximate % of the issued Shares</b></p>
	<p>Ample Grace Investments Limited, a company owned as to 60% by Mr. Wang Guiwu and 40% by Mr. Wong Kai Ho, both are executive Directors</p>	<p>1,918,000,000</p>	<p>29.89</p>
	<p>Mr. Huang Zhuguang (through indirect interest in Firstunion Animation Technology (HK) Co., Limited)</p>	<p>1,276,814,973</p>	<p>19.90</p>
	<p>Ms. Ma King Nga (through interest in Starry Nation Limited)</p>	<p>534,984,000</p>	<p>8.34</p>
	<p>Ms. Cui Yaling (through interest in Kaiya Fund Pte. Ltd.)</p>	<p>641,600,000</p>	<p>10.00</p>
	<p>Rongtong Fund Management Co., Ltd. (through interest in Rongtong Ronghai No. 10 SNIA QDII)</p>	<p>512,784,000</p>	<p>7.99</p>
	<p>Other public Shareholders</p>	<p><u>1,531,972,674</u></p>	<p><u>23.88</u></p>
	<p>Total</p>	<p><u><u>6,416,155,647</u></u></p>	<p><u><u>100.00</u></u></p>
	<p>The Company is not aware of any impact, financial or otherwise, on the Group as a result of the change of the controlling Shareholders.</p>		

- (b) *Uncertainties relating to an amount due to a then intermediate holding company and its subsidiaries (collectively, the “intermediate holding company group”)*

<b>Basis of EY Disclaimer of Opinion</b>	<b>The Company’s Responses</b>
<p>“As set out in note 45(a) to the consolidated financial statements, on 13 April 2021, Resources Investment, a wholly-owned subsidiary of the Company, received the Notice from the Administrator, which stated that the Administrator did not agree with the amount due by Resources Investment to Resources Group, a then intermediate holding company of the Company, of approximately RMB2,351 million included in other payables and accruals in the consolidated balance sheet at 31 December 2020 and as disclosed in note 28 to the 2020 Financial Statements (the “<b>Disputed Amount</b>”). In the Notice, there was no indication of the amount owed by the Group to the then intermediate holding company group as at 31 December 2020.”</p>	<p>The Disputed Amount was between Resources Investment, a Disposal Subsidiary, and Resources Group. Following completion of the Disposal, Resources Investment is no longer a subsidiary of the Company and the financial results and financial information of the Disposal Group (including that of Resources Investment) was deconsolidated from the Group. As such, the Disputed Amount (or the Alleged Debts) is no longer part of the liabilities of the Group.</p>

***Audit modifications in the 2021/22 Financial Results and 2021/22 Financial Report***

The announcement of the Company dated 28 June 2022 in relation to the 2021/22 Financial Results contains an extract of CCTH’s report and the full report of CCTH’s audit opinion (the “**CCTH Report**”) on the consolidated financial statements of the Group for the fifteen months ended 31 March 2022 (the “**2021/22 Financial Statements**”) is contained in the 2021/22 Financial Report in which it was stated that CCTH did not express an opinion on the 2021/22 Financial Statements (the “**CCTH Disclaimer of Opinion**”). Because of the significance of the matters described in the section headed “Basis for Disclaimer of Opinion” in the CCTH Report, CCTH has not been able to obtain sufficient appropriate audit evidence to provide a basis forming an audit opinion on the 2021/22 Financial Statements. In all other respects, in CCTH’s opinion, the 2021/22 Financial Statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Set out below is CCTH’s basis for CCTH Disclaimer of Opinion as contained in the CCTH Report and the responses of the Company to address each of the basis:

(a) *Opening balances and corresponding figures*

<b>Basis of CCTH Disclaimer of Opinion</b>	<b>The Company’s Responses</b>
<p>“As detailed in the 2020 Audit Report on the 2020 Financial Statements, Ernst &amp; Young disclaimed their opinion on the 2020 Financial Statements. Accordingly, we are unable to obtain sufficient and appropriate audit evidence on the opening balances as to whether the 2020 Financial Statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance and cash flows for the year then ended. In addition, we are also unable to form an opinion as to whether the consolidated assets and liabilities of the Group at 31 December 2020 presented in the consolidated statement of financial position are appropriately carried forward and recognised as the opening balances of the Group’s respective assets and liabilities as at 1 January 2021.</p> <p>As detailed in note 46 to the 2021/22 Financial Statements, any adjustments to the Group’s liabilities as at 1 January 2021 found necessary might impact the gain on disposal of the subsidiaries amounting to approximately RMB3,372 million reported in the 2021/22 Financial Statements, and the related disclosures as set out in the 2021/22 Financial Statements.</p> <p>We also express no opinion on whether the comparative information is properly presented and the comparability of the current period’s figures and the corresponding figures.”</p>	<p>The basis set out under the heading “opening balances and corresponding figures” giving rise to the CCTH Disclaimer of Opinion was due to the EY Disclaimer of Opinion by Ernst &amp; Young on the 2020 Financial Statements and as such, CCTH was unable to draw comfort of the closing balances contained in the 2020 Financial Statements as basis for the opening balances of the 2021/22 Financial Statements.</p> <p>The Company and CCTH are of the view that the basis as set out under the heading “opening balances and corresponding figures” giving rise to the CCTH Disclaimer of Opinion will be removed in the subsequent financial statements of the Company. As such, this audit modification on the 2021/22 Financial Statements will be addressed accordingly in the subsequent financial statements of the Company.</p>

(b) *Going concern*

<b>Basis of CCTH Disclaimer of Opinion</b>	<b>The Company's Responses</b>
<p>“As disclosed in note 2 to the consolidated financial statements, the Group had bank and other borrowings amounted to approximately RMB4,518 million of which approximately RMB3,498 million was included in current liabilities at 31 March 2022, substantially all of which represent the overdue borrowings due for immediate repayments. In addition, the Group had recorded accrued interests payable amounted to approximately RMB422 million on bank and other borrowings at 31 March 2022 which was included in other payables and accruals. However, the Group had cash and cash equivalents amounted to approximately RMB642 million at 31 March 2022.</p> <p>The Group had significant cash shortfall of approximately RMB3,278 million at 31 March 2022, which was calculated as the difference between the aggregate of the current portion of bank and other borrowings and the accrued interests payable at 31 March 2022 and the Group's cash and cash equivalents as at that date.”</p>	<p>In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures and plans being undertaken or will be undertaken by the Group to mitigate the liquidity pressure and to improve its financial position include, but are not limited to, the following:</p> <p>(a) The Directors are considering various proposals, including but not limited to disposal of equity interest of certain group entities engaging in property developments or pledges of the Group's properties for sales, in order to obtain additional funds to support the Group's working capital needs. As at 31 March 2022, the book value of the properties under development for sale and completed properties for sale of the Group amounted to approximately RMB 7,551.3 million and RMB3,093.7 million, respectively.</p>

Basis of CCTH Disclaimer of Opinion	The Company's Responses
	<p>(b) The Group has been actively negotiating with existing lenders for loan extension, the waiver of the repayable on demand clause and the waiver of possible breach of the undertaking and restrictive covenant requirements relating to certain bank and other borrowings. In particular, the Group has entered into mediation agreements with one of its lenders in December 2021 in relation to the outstanding debts amounting to approximately RMB1,118.8 million (including outstanding principal and interest), pursuant to which the parties agreed on a revised repayment schedule where the Group is required to pay the settlement amounts to the relevant lender in instalments by 31 December 2023.</p> <p>(c) The management of the Group has prepared a business strategy plan, which have been reviewed by the Board. The business strategy plan mainly focuses on:</p> <p>(i) The acceleration of pre-sale of suitable properties of the Group</p> <p>The Group formulated the sales strategy tailored to the local market conditions of each property development project based on their respective product structure and actively responded to the market demands, so as to accelerate the pre-sale and sale of properties under development and completed properties. In addition, the Group strengthened communication and coordination with cooperative banks to speed up the receipt of proceeds from pre-sale and sale of properties under development and completed properties.</p>

Basis of CCTH Disclaimer of Opinion	The Company's Responses
	<p data-bbox="932 226 1425 300">(ii) The implementation of cost control measures</p> <p data-bbox="1007 353 1425 1621">The Group formulated and closely monitored the budgeted cost for each stage of property development projects. Cost management system is adopted for real-time cost management and control. The Group has achieved product standardization and adopted transparent tender system for centralized purchase and subcontracting with standard procedures and documents to determine reasonable and competitive bidding price. The structure of marketing expenses has been adjusted in each stage so as to improve the cost-effectiveness ratio in the process of pre-sale and sale of properties under development and completed properties. The Group is also tightening cost controls over the daily administrative and other operating expenses with the objective of improving the working capital and cash flow position of the Group.</p> <p data-bbox="855 1675 1425 2000">The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due at least within the next twelve months after 31 March 2022.</p>

Rule 13.50A of the Listing Rules provides that “...*the suspension will normally remain in force until the issuer has addressed the issues giving rise to the disclaimer or adverse opinion, provided comfort that a disclaimer or adverse opinion in respect of such issues would no longer be required, and disclosed sufficient information to enable investors to make an informed assessment of its financial positions.*”

Based on the above actions taken and to be taken by the Group, the Company is of the view that it will be able to address the audit modification expressed by Ernst & Young on the 2020 Financial Statements and CCTH on the 2021/22 Financial Statements, and the audit modifications as set out in the EY Disclaimer of Opinion and the CCTH Disclaimer of Opinion will be removed in respect of subsequent financial statements of the Company.

The Audit Committee has reviewed the basis of the EY Disclaimer of Opinion and CCTH Disclaimer of Opinion and the Company’s responses and concurs with the view of the Company that the audit modifications as set out in the EY Disclaimer of Opinion and the CCTH Disclaimer of Opinion will be removed in respect of subsequent financial statements of the Company.

Based on the above, the Company is of the view that it has fulfilled the Resumption Guidance 1 and 4.

**Resumption Guidance 5 – conduct an independent investigation into the Misappropriation and Misconduct, announce the investigation findings, assess and announce the impact on the Company’s financial and operation position, and take appropriate remedial actions**

The Special Investigation Committee engaged Grant Thornton as the Independent Investigator on 16 February 2022. The major findings of the Independent Investigation, and the responses and remedial actions of the Company have been announced by the Company on 4 July 2022. The Company further announced certain non-compliance of the Listing Rules in relation to past notifiable transactions, past connected transactions and past continuing connected transactions identified by the Independent Investigation and the impact of the Misappropriation and the Misconduct on the Company’s financial and operation position on 15 July 2022 and 22 July 2022.

The major findings of the Independent Investigation include:

- (1) the difference of balances between the Group and Resources Group;
- (2) the Kunshan Hi-Tech Deposits, the Kunshan Hi-Tech Debt, the Qingdao Boya Deposits, Qingdao Boya Debt, the RI Deposits and the CITIC Loan;
- (3) interest calculation difference between the Group and Resources Group; and

- (4) other adjustments on the amounts due to Resources Group, including the payments of salaries, social insurance and other expenses by Resources Investment on behalf of certain associates of Resources Group.

The Company completed the Disposal in March 2022. The matters relating to the Kunshan Hi-Tech Deposits, the Kunshan Hi-Tech Debts, the Qingdao Boya Deposits, the Qingdao Boya Debts, the RI Deposits, the payment-on-behalf of associates of Resources Group and all other matters identified in the major findings of the Independent Investigation, other than the CITIC Loan, are no longer accounted for by the Group following the deconsolidation of the Disposal Group.

In respect of the CITIC Loan, Founder Century, a subsidiary of the Company, recognized the CITIC Loan with the outstanding principal amounted to approximately RMB1,068.9 million as at 31 March 2022 (the “**Relevant Payable**”). This sum has been included in the Group’s “Interest-bearing bank and other borrowings” in the 2021/22 Financial Statements. In addition, the Group also recognized interest payable of approximately RMB541.5 million which has been included in the Group’s “Other payables and accruals” in the 2021/22 Financial Statements. As disclosed in the announcement of the Company dated 15 July 2022, as a remedial action to protect the interest of the Group, on 15 November 2021, Founder Century, Dongguan Yihui and Resources Investment entered into the Debt Assignment Agreement pursuant to which Founder Century transferred to Dongguan Yihui its right in the Relevant Payable owed by Resources Investment and in consideration, Dongguan Yihui agreed to assume the liabilities of Founder Century to repay all the outstanding principal and interest payable under the CITIC Loan. As Dongguan Yihui has pledged the Dongguan Yihui Land as security for repayment of the CITIC Loan in favour of CITIC Trust, the Group and Dongguan Yihui further entered into the Dongguan Yihui MOU on 16 June 2022 pursuant to which Dongguan Yihui shall apply the sale proceeds from the disposal of the Dongguan Yihui Land toward the repayment of the outstanding principal and interest payable under the CITIC Loan on a priority basis.

As such, Founder Century recognized account receivable from Dongguan Yihui of approximately RMB1,610.4 million as at 31 March 2022, which is equivalent to the aggregate of the outstanding principal and interest payable under the CITIC Loan. The financial position of the Group is protected as Dongguan Yihui has agreed to assume the liabilities of Founder Century to repay all the outstanding principal and interest payable under the CITIC Loan and agreed to apply the sale proceeds from the disposal of the Dongguan Yihui Land toward the repayment on a priority basis.

The estimated market value of the Dongguan Yihui Land is approximately RMB2,770 million with reference to the professional property valuation conducted by an independent valuer and the Company is of the view that it is sufficient to repay the outstanding principal and interest payable under the CITIC Loan. The Company has made enquiry with the Disposal Group and has been informed that Dongguan Yihui has entered into a memorandum of understanding with a third party for the disposal of the Dongguan Yihui Land.

The gross amount due by the Disposal Group to the Group at completion of the Disposal was in aggregate approximately RMB6,985.8 million. Management of the Group is of the view that the recoverable amounts of the Group's receivables from the Disposal Group were estimated to be approximately RMB3,475.2 million after taking into account of the collaterals and financial position of the Disposal Group, which was recognized in the 2021/22 Financial Statements. The Group recorded a net gain from the Disposal of approximately RMB3,372.0 million. As at the date of this announcement, the Company does not foresee any further impairment on the account receivable from the Disposal Group is necessary and accordingly, there is no further financial impact on the Group.

Based on the abovementioned, CCTH concurred with the view of the management of the Group that:

- (1) the debt owed by Founder Century to CITIC Trust amounted to an aggregate of approximately RMB1,610.4 million as at 31 March 2022 (comprising the loan principal of approximately RMB1,068.9 million included in the Group's "Interest-bearing bank and other borrowings" and accrued interest payable of approximately RMB541.5 million included in the Group's "Other payables and accruals") which have been properly accounted for in the 2021/22 Financial Statements; and
- (2) the receivable from Dongguan Yihui amounted to approximately RMB1,610.4 million is fully recoverable and no impairment in this respect is required to be made in the 2021/22 Financial Statements.

All the persons involved in the matters identified in the major findings of the Independent Investigation have either left the Group following the Disposal or resigned from the Group and none of them currently holds any other position in the Group. All of them are independent of and have no relationship, financial or otherwise, with the Group. In addition, none of them is a Director or substantial Shareholder, nor an associate of any of them. All the current Directors joined the Company on or after 8 October 2021 and have no involvement whatsoever in the matters identified in the major findings of the Independent Investigation. Based on the foregoing, the Company is of the view that there is no fraud or management integrity concern with the current Board and substantial Shareholders.

The operations of the Group remain normal and stable, and the Group did not experience any negative impact on the operations of the Group following the discovery of the Misappropriation and the Misconduct and completion of the Disposal. The Company does not foresee any negative impact which may arise from the discovery of the Misappropriation and the Misconduct and completion of the Disposal in the future.

Based on the investigation conducted by the Special Investigation Committee, the findings of the Independent Investigation, the findings of the Internal Control Review, and the remedial actions taken by the Company, the Board, the Audit Committee and the Special Investigation Committee are of the view that the Independent Investigator has identified the issues arising from the Misappropriation and the Misconduct and the Company has taken remedial actions to address such issues.

Based on the Board's assessment, following completion of the Disposal which constituted a major transaction for the Company and details of which are set out in the Circular and its financial impacts are set out in the 2021/22 Financial Results, the 2021/22 Financial Report, the announcement of the Company dated 15 July 2022 and in this announcement, the Misappropriation and the Misconduct did not have material impact on the Group's financial and operation positions.

As such, the Company is of the view that it has fulfilled the Resumption Guidance 5.

**Resumption Guidance 6 – conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules**

As disclosed in the announcement of the Company dated 5 July 2022 in relation to the key findings of the Internal Control Review, the Company engaged BizGear Corporate Consulting Limited as the Internal Control Consultant to carry out the Internal Control Review and details of the key findings of the Internal Control Review, recommendations of the Internal Control Consultant, and the Company's response and remedial actions are disclosed in that announcement.

Set out below are the internal control weaknesses highlighted under the Independent Investigation and the Company’s remedial actions:

<b>Internal Control Weaknesses</b>	<b>Remedial Actions</b>
<p>(1) Lack of reporting and approval by the Board and the Shareholders for the connected transaction.</p> <p>(2) Lack of approval by the Board and the Shareholders for the terms of relevant interest rate.</p> <p>(3) The arrangements had not been approved by the Board or the Shareholders, nor were such arrangement disclosed in the Company’s announcements.</p> <p>(4) The transactions did not comply with the requirements of Chapters 14 and 14A of the Listing Rules.</p>	<p>(a) The Company has established a new internal control manual with respect to financial, operational, and corporate governance perspective.</p> <p>(b) 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, and this intelligent OA system has optimized and improved the internal control processes such as paperless office approval system emphasizing transparency of approval requests and reasons of approval. The OA system is able to safeguard the assets of the Group by (1) ensuring all transactions that are not in the ordinary course of business of the Group, including acquisitions and disposals, borrowings and guarantees, and fund transfers within the Group are reported to and approved by the management of the Company based on the established reporting line and approval process; (2) the designated personnel involved in the approval process act within their authorities as prescribed in the “Organizational Powers and Responsibilities Manual”; and (3) all approval processes and documents are retained in the OA system, reviewed and backed up on a regular basis.</p>

Internal Control Weaknesses	Remedial Actions
	<p>(c) The internal approval procedures of these types of transactions require the initiation of the procedures in the OA system at the subsidiary level or at the functional departments by entering details of the transactions and uploading relevant documents to the OA system. The approval procedures involve the management hierarchy and functional departments, at both subsidiary and the Company’s levels.</p> <p>(d) If the aforesaid transactions approved in the OA system involve the use of company seal and payment, this will require the initiation of the relevant requests in the OA system by entering details of the transactions, uploading relevant documents and referring to the prior approval of the transactions in the OA system. The company chops of each company in the Group are kept in safe in the respective office premises of the companies. Each of the safes requires use of two keys simultaneously and the two keys are safekept by two staff of the company, one of them is the president of the company.</p> <p>(e) The Company has formulated the policy and procedures for identifying, reviewing, disclosing, approving and monitoring transactions based on the requirements of the Listing Rules. The Company has established the “Responsibilities under the Listing Rules (including connected transactions, notifiable transactions, material information disclosure, etc.)”, which sets out various information to be disclosed and the disclosure procedures.</p>

Internal Control Weaknesses	Remedial Actions
	<p>(f) All Directors and substantial Shareholders are required to sign a “Connected Persons Declaration Form” to report their respective connected persons and subsequent changes to the Board in a timely manner. The list of connected persons is maintained, reviewed and circulated to relevant departments.</p> <p>(g) Before the commencement of each connected transaction, the responsible staff for the transaction must complete and submit the “Connected Transaction Declaration Form” and the “Declaration of Interests Form”, together with sufficient evidence for the necessity and reasonableness of the connected transaction, to the chairman of the Board for approval.</p> <p>(h) The company secretary of the Company is responsible for ensuring that the Company fulfills its responsibilities under the Listing Rules. After consultation with the legal advisers or other professional parties (if necessary), the company secretary shall decide whether the connected transaction is subject to the reporting, announcement and Shareholders’ approval requirements under the Listing Rules and shall notify the Board, arrange Board meeting and Shareholders meeting accordingly.</p>

Internal Control Weaknesses	Remedial Actions
	<p>(i) All connected transactions are recorded in the “Register of Connected Transactions” maintained by the Finance Department and such register is circulated regularly among the Board and managers of relevant departments, and the circulation records are signed.</p> <p>(j) Regular trainings on the policies, management systems and operating procedures of connected transactions, are arranged for all employees and training records are maintained.</p>
<p>(5) Lack of regular reconciliation of the outstanding balances to adjust and check for erroneous accounting record.</p> <p>(6) Lack of regular reconciliation for between the Group and Resources Group and appropriate internal control procedures to monitor interest calculation between the Group and Resources Group.</p>	<p>(a) Monthly cross-checking of current accounts with the related parties are performed.</p> <p>(b) The Finance Department shall prepare current account statement with related parties based on the “Register of Connected Transactions” and account ledgers, which will be submitted to the chairman of the Board for approval and then issue to the related parties for confirmation. If any discrepancy is identified, follow-up actions shall be conducted immediately.</p>

Internal Control Weaknesses	Remedial Actions
<p>(7) Some of the agreements were not dated or with inconsistent dates.</p>	<p>(a) The Company has revised and duly formulated a comprehensive set of written codes, policies and procedures, including the “Code of Conduct for Employees”, “Conflict of Interest Policy”, “Regulations on the Management of Rewards and Punishments for Employees” and “Anti-Fraud Policy” to provide integrity and ethics guidance for the employees. Appropriate training for employees on these codes, policies and procedures has been arranged.</p> <p>(b) The initiation of the transactions and every approval step through the OA system are date-stamped in the OA system, and accordingly the issues of undated documents and inconsistent dates on documents will not occur following the implementation of the OA system.</p> <p>(c) Pursuant to Peking University Resources (Holdings) Company Limited Contract Management Rule (北大資源(控股)有限公司合同管理規則), the functional department that initiated the contract (the “<b>Contract Undertaking Department</b>”) shall properly preserve the executed contracts and all relevant materials during the validity period of the contracts. The Contract Undertaking Department shall also submit a scanned copy of the signed contract to the Legal Department of the relevant subsidiary or the Company for records immediately after signing. The Legal Department will be responsible to cross-check the signed contract. The executed contracts must be consistent with the approved version of the contract and have the signing dates.</p>

<b>Internal Control Weaknesses</b>	<b>Remedial Actions</b>
<p>(8) Misconduct by the former executive Directors, who attended the relevant meeting, failing to report the relevant arrangement to the Board, seek approval from the Board or the Shareholders or disclose their conflict of interest in the arrangements.</p>	<p>(a) The Group has strengthened fraud risk management in the following aspects: (i) the reporting mechanism has been established such that there is a direct communication channel between employees and the Board or Audit Committee, so that employees can directly report to the Board or Audit Committee if fraudulent behaviour is discovered; and (ii) any suspected fraudulent behaviour will be checked and dealt with in strict accordance with the Group’s policies. The internal control system and procedures have been reviewed accordingly and necessary revisions have been made.</p> <p>(b) The Company has completed the revision of “Anti-Fraud Policy” with clear definition of fraud so that employees can identify relevant behaviours, and the handling and remedial measures for fraud are described in the policy.</p> <p>(c) The Board has authorized the Internal Audit Department to be the department in charge of the Group’s whistle-blowing affairs, responsible for the daily management of the Group’s whistle-blowing affairs and reports to the Audit Committee.</p>

Internal Control Weaknesses	Remedial Actions
<p>(9) The Company’s internal control system exists certain deficiencies, including (i) failure to effectively identify and manage any conflict of interests, disclosable transactions and connected transactions; and (ii) the management of the Company, Resources Investment and Resources Group was the same at the material time, the internal controls was not effectively implemented with respect to the transactions between Resources Group and the Group.</p>	<p>(a) As discussed above, the Company has established the OA system that can effectively prevent the management from overstepping and conspiring. The Company has revised the “Organizational Powers and Responsibilities Manual” which contains the job description for all positions, reporting superiors, and responsibilities and qualifications of different positions. In the manual, the decision-making authority of each management level in functional departments and various departments is clearly divided and the decision-making process is managed by the OA system, which regulates the potential risks caused by overlapping employees.</p> <p>(b) The Company has revised and duly formulated “Conflict of Interest Policy” to provide integrity and ethics guidance for the employees.</p> <p>(c) The Company has adopted the “Conflict of Interest Declaration Form”, the Directors and senior management have signed the form declaring their conflicts of interest (if any), which were approved and reviewed by the Audit Committee and the Directors and senior management have confirmed their knowledge of the “Conflict of Interest Policy”.</p>

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, and meet its obligations under the Listing Rules.

Based on the assessment of the Board, the Audit Committee and the Internal Control Consultant, the Company has in place adequate internal controls and procedures together with improved corporate governance to comply with the Listing Rules.

As such, the Company is of the view that it has fulfilled the Resumption Guidance 6.

### **Resumption Guidance 2 – demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules**

The Group’s principal businesses, comprising the Distribution Business and the Real Estate Business. The Group commenced the Distribution Business and the Real Estate Business in 2003 and 2013, respectively. Accordingly, the Group’s principal businesses have long historical track records, are viable and sustainable adhering to the industry norm and with proper infrastructure, and managed by personnel with the relevant background, experience and expertise. Further, the scale and level of the Group’s operations and assets are sufficient to support the Group’s operating activities and costs associated with a listing.

As disclosed in the 2021/22 Financial Report, the Group generated revenue of approximately RMB11,799.6 million for the fifteen months ended 31 March 2022. Although the Group reported a net loss of approximately RMB433.7 million for the fifteen months ended 31 March 2022, this is a significant improvement from the net loss of approximately RMB1,845.0 million for the year ended 31 December 2020.

As at 31 March 2022, the Group had thirteen property development projects across nine major cities in Mainland China, namely Foshan, Yuxi, Kaifeng, Chongqing, Chengdu, Hangzhou, Ezhou, Wuhan and Guiyang. The total area of the properties held for sale, properties under development and areas pending construction amounted to approximately 3.17 million square meters.

As at 31 March 2022, the Group had total assets, net current assets and the net assets position of approximately RMB18,267.4 million, approximately RMB2,739.9 million and approximately RMB2,388.5 million, respectively. The total assets comprised investment properties amounted to approximately RMB520.3 million, properties under development of approximately RMB7,551.3 million, completed properties held for sale of approximately RMB3,093.7 million, inventories of trading stocks relating to the Distribution Business of approximately RMB506.1 million and cash and cash equivalent of approximately RMB641.9 million as at 31 March 2022.

As at 31 March 2022, the Group had current assets amounted to approximately RMB17,513.9 million, comprising mainly properties held for sale, prepayments, other receivables and other assets, and cash and cash equivalents. The Group had current liabilities of approximately RMB14,774.0 million as at 31 March 2022, comprising mainly trade payables, other payables and accruals, contract liabilities, and interest-bearing bank and other borrowings. Based on the information above, the Group’s working capital is approximately RMB2,739.9 million and the Company’s current ratio is about 1.19. The Company is of the view that it has sufficient general working capital to support its operations.

As disclosed in the sub-section headed “Prospects” under the section headed “Management Discussion and Analysis” in the 2021/22 Financial Report, looking ahead, with the concept of “houses are for living in, not for speculation” becoming more prominent, China has successively rolled out a number of control policies on the real estate sector, including “three red lines”, concentration management of real estate loans and two-centralized land supply. Such policies aimed to comprehensively monitor and control the three main bodies of local government, real estate enterprises and banks, thereby forming a complete closed loop for control policies of the real estate sector. At present, China’s economy is confronted with the threefold pressure of “shrinking demand, supply shock and weakening expectations”, which present unprecedented challenges and opportunities to the real estate industry. The business models of relying on land dividend, demographic dividend, real estate financialization and scale-oriented competition with high turnover rate are no longer feasible. In view of the recent favourable policies introduced successively by local governments in relation to the real estate industry, the majority of real estate enterprises have taken the initiative to adjust their future development strategies and explore operating models, such as de-financialization, manufacturing, product functionalization, light asset, diversification and green ecological development, in response to the new situation and norms. Although the era of high gross profit has come to an end, there are still basic demand and room for reasonable profit margin in the market.

Since October 2021, the Group has also taken the initiative to predict market trend and optimized its development strategies. In terms of management, it implemented various measures to reinforce its internal strengths, including adjusting organizational structure, reforming and improving internal mechanism, rebuilding operation flow and enhancing organizational efficiency. In terms of operation, it carried out various measures such as in-depth customer analysis, unrivalled product optimization and strict selection of suppliers for existing projects, with a view to further improving product competitiveness and enhancing management efficiency. As for new projects, the Group has carefully studied and evaluated the market and customers, and moderately controlled the new projects while maintaining a robust cash flow. Taking into account the regional market competition, the Group also implemented differentiated competitive strategies, such as focusing on enhancing functionality and experience, improving cost-efficiency and service quality, as well as achieving a low carbon footprint and valuing ecological protection, striving to better satisfy the reasonable demand of customers under the new situation and new norms, and secure a reasonable operating profit of projects.

Based on the above analysis and assuming that there is no major disruption of the operating environment and conditions, the Company expects that the prospects of the principal businesses of the Group to remain positive, leading to an improvement in the financial performance of the Group.

Accordingly, the Board is of the view that the Group has “*assets of sufficient value*”, as required under Rule 13.24(1) of the Listing Rules. Please refer to the 2021/22 Financial Report for details of the Group’s financial position and financial performance.

The Company is of the view that the Group's businesses are viable and sustainable and the Group, as a whole, has businesses with sufficient levels of operations and assets of sufficient value to support its operations to warrant the continued listing of the Shares.

Based on the above, the Company is of the view that it has fulfilled the Resumption Guidance 2.

**Resumption Guidance 3 – announce all material information for the Company's shareholders and investors to appraise the Company's position**

Since the suspension of trading in the Shares on 26 April 2021, the Company has continued to publish announcements and circulars for the Shareholders and investors of the Company to appraise the Company's position, including but not limited to, the Disposal, the 2021/22 Financial Results, the 2021/22 Financial Report, the Independent Investigation, the Internal Control Review, the non-compliance with the Listing Rules in relation to past notifiable transactions, past connected transactions and past continuing connected transactions, and the quarterly update announcements. The Company is of the view that it has announced all material information it considers necessary and appropriate for the Shareholders and investors of the Company to appraise the Company's position.

Based on the above, the Company is of the view that it has fulfilled the Resumption Guidance 3.

**RESUMPTION 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. As the Resumption Guidance have been fulfilled, an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 August 2022.

**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, 10 August 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.*