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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)

SUBSCRIPTIONS OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that, on 22 August 2022, the Company (as issuer) entered into eight Subscription Agreements with eight Subscribers in respect of the Subscription of an aggregate of 1,283,231,129 Subscription Shares at the Subscription Price of HK\$0.10 per Share. Each of the Subscriber is an independent private investor.

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 Subscriptions is subject to conditions and the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

Each of the Subscription Agreements is on substantially the same terms (other than the number of Subscription Shares) and the principal terms of the Subscription Agreements are as follows:

Date: 22 August 2022

Parties to the Subscription Agreements:

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

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

Subscription Shares

The 1,283,231,129 Subscription Shares in aggregate represent (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% 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\$128,323,112.9.

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 16.67% over the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a discount of approximately 15.11% to the average of the closing prices of approximately HK\$0.1178 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

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

Condition Precedent for the Subscriptions

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 Agreements 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 Agreements being true, accurate and not misleading in all material respects as at the date of the Subscription Agreements and the Completion Date and the Company having fully performed its obligations under the Subscription Agreements prior to and on the Completion Date;
- (iv) the representations and warranties of the Subscribers under the Subscription Agreements being true, accurate and not misleading in all material respects as at the date of the Subscription Agreements and the Completion Date and the Subscribers having fully performed their obligations under the Subscription Agreements 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 Subscribers only and the condition (iv) can be waived by the Company only) on 31 October 2022 (or such other date as may be agreed in writing between the Company and the Subscribers), the Company may terminate the Subscription Agreements by giving written notices to the Subscribers. In that case, the Subscribers' obligation to subscribe for and the Company's obligation to issue, allot and deliver the Subscription Shares shall terminate and any amounts paid by the Subscribers under the Subscription Agreements shall be refunded to the Subscribers without interest.

The Payment of the Total Subscription Price

The Total Subscription Price shall be paid by the Subscribers on or before 31 October 2022 (or such other date as the parties thereto may agree).

Completion

Subject to the fulfilment or waiver (where applicable) of the conditions precedent, the Completion shall take place on the third Business Days after the payment of the Total Subscription Price by the Subscribers (or such other date as the parties thereto may agree). For the avoidance of doubt, Completion by a Subscriber is not inter-conditional upon Completion by the other Subscribers.

Lock-up Undertakings

The Subscribers unconditionally and irrevocably undertake to the Company that:

- (i) the Subscribers 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 as any transaction described above, directly or indirectly; and
- (ii) if the Subscribers dispose of any Subscription Shares at any time after a period of 18 months from the Completion Date, the Subscribers shall ensure that such disposal complies with all applicable laws (including the Listing Rules) and will use their 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. Since the date of the AGM and up to the date of this announcement, no new Shares have been 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 SUBSCRIBERS

Each of the Subscriber is an independent private investor. As at the date of this announcement, the Subscribers in aggregate hold 225,586,000 Shares.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers 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:

	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	1,918,000,000	29.89%	1,918,000,000	24.91%
Firstunion Animation Technology (HK) Co., Limited	1,276,814,973	19.90%	1,276,814,973	16.58%
Starry Nation Limited	534,984,000	8.34%	534,984,000	6.95%
Kaiya Fund Pte. Ltd	641,600,000	10.00%	641,600,000	8.33%
Rongtong Ronghai No. 10 SNIA QDII	512,784,000	7.99%	512,784,000	6.67%
Subscribers (<i>Note</i>)	225,586,000	3.52%	1,508,817,129	19.60%
Other public Shareholders	1,306,386,674	20.36%	1,306,386,674	16.97%
Total	<u>6,416,155,647</u>	<u>100%</u>	<u>7,699,386,776</u>	<u>100%</u>

Note: As at the date of this Announcement, the Subscribers in aggregate hold 225,586,000 Shares.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company considers that the Subscription will raise capital for the Company and improve the financial position of the Group for its future development and prospects. In addition, the Subscription Price and the quantity of the Subscriptions were determined with a reference to the prevailing and recent market prices and recent market conditions.

The Board believes that the Subscription Agreements are made on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Subscriptions will be HK\$128,323,112.9. The net proceeds from the Subscriptions (after deducting all applicable costs and expenses of the Subscriptions) will be approximately HK\$128,223,000 and a net issue price of approximately HK\$0.10 per Subscription Share. The Group intends to use the proceeds from the Subscriptions for (i) repayment of the debts of the Group and improving the financial position of the Group; and (ii) general working capital.

Given that completion of the Subscriptions is subject to conditions and the Subscriptions 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 1 March 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 Subscriptions
“Completion Date”	the date of Completion
“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
“Independent Third Parties”	party(ies) which is independent of and not connected with the Company and its connected persons (as defined under the Listing Rules) and not otherwise a connected person of the Company
“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
“Subscribers”	eight subscribers under the Subscription Agreements
“Subscription Agreements”	the subscription agreements dated 22 August 2022 and entered into between the Company (as issuer) and the Subscribers
“Subscription Price”	HK\$0.10 per Subscription Share
“Subscription Shares”	an aggregate of 1,283,231,129 new Shares to be subscribed by the Subscribers under the Subscription Agreements

“Subscriptions”	the subscriptions of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Total Subscription Price”	the total subscription price for the Shares to be subscribed by each of the Subscribers under each of the Subscription Agreements
“%”	per cent.

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

Hong Kong, 22 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.