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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)**

**VERY SUBSTANTIAL ACQUISITION  
IN RELATION TO THE PROPOSED ACQUISITION OF  
(1) 49% OF THE EQUITY INTEREST IN  
CHONGQING YAYUAN HENGHUI;  
(2) 49% OF THE EQUITY INTEREST IN  
CHONGQING YINGHE YIYUAN; AND  
(3) APPROXIMATELY 31.53% OF THE EQUITY INTEREST IN  
ZHEJIANG RESOURCE BY WAY OF THE DEBT SETTLEMENT**

Financial adviser



**首控集團**

CHINA FIRST CAPITAL GROUP

**FIRST CAPITAL INTERNATIONAL FINANCE LIMITED**

**THE DEBT SETTLEMENT**

The Company is pleased to announce that on 9 January 2023, (1) Wuhan Jinxiang (being an indirect wholly-owned subsidiary of the Company, as the Acquirer), and Chongqing Feidia (as the Vendor) entered into Debt Settlement Agreement A, pursuant to which Chongqing Feidia has conditionally agreed to transfer 49% equity interest of Chongqing Yayuan Henghui to Wuhan Jinxiang at the Consideration, subject to adjustments, of approximately RMB929,422,000, (2) Chongqing Yingfeng (being an indirect wholly-owned subsidiary of the Company, as the Acquirer), and Chongqing Longsay (as the Vendor) entered into Debt Settlement Agreement B, pursuant to which Chongqing Longsay has conditionally agreed to transfer 49% equity interest of Chongqing Yinghe Yiyuan to Chongqing Yingfeng at the Consideration, subject to adjustments, of approximately RMB932,774,000, (3) Wuhan Tianhe Jincheng (being an indirect 70%-owned subsidiary of the Company, as the Acquirer), and Chongqing Minos (as the Vendor) entered into Debt Settlement Agreement C, pursuant to which Chongqing Minos has conditionally agreed to transfer approximately 20.59% equity interest of Zhejiang Resources to Wuhan Tianhe Jincheng at the Consideration, subject to adjustments of approximately

RMB291,283,000, and (4) Chongqing Yuefeng (being an indirect 70%-owned subsidiary of the Company, as the Acquirer), and Chongqing Minos (as the Vendor) entered into Debt Settlement Agreement D, pursuant to which Chongqing Minos has conditionally agreed to transfer approximately 10.94% equity interest of Zhejiang Resources to Chongqing Yuefeng at the Consideration, subject to adjustments, of approximately RMB154,766,000.

Upon Completion, the Company's equity interest in (1) Chongqing Yayuan Henghui will increase from 51% to 100%; (2) Chongqing Yinghe Yiyuan will increase from 51% to 100%; and (3) Zhejiang Resources will increase from approximately 68.47% to 100% (of which 31.53% would be held through the Company's 70%-owned subsidiaries), and the financial information of the Target Companies will continue to be consolidated into the financial statements of the Group.

### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Debt Settlement Agreements and the transactions contemplated thereunder in aggregate is more than 100%, the Debt Settlement constitutes a very substantial acquisition of the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **DESPATCH OF CIRCULAR**

A SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve, among other matters, the Debt Settlement Agreements and the transactions contemplated thereunder. A circular containing, among other things, (i) the details of the Debt Settlement Agreements and the transactions contemplated thereunder; (ii) a property valuation report on the properties held by Zhejiang Resources; (iii) the financial information of the Group; (iv) the financial information of the Target Companies; (v) the unaudited pro forma financial information of the Enlarged Group assuming Completion takes place; (vi) the notice convening the SGM; and (vii) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 13 February 2023, which has been determined after taking into account of the estimated time required for the Company to prepare relevant information for inclusion in the circular.

**As the Completion of the Debt Settlement is subject to the satisfaction of a number of conditions precedent as set out in the Debt Settlement Agreements, the Debt Settlement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that on 9 January 2023 (after trading hours of the Stock Exchange), the Acquirers, all are indirect subsidiaries of the Company, and the Vendors entered into the Debt Settlement Agreements, pursuant to which the Vendors have conditionally agreed to transfer (1) 49% equity interest of Chongqing Yayuan Henghui; (2) 49% equity interest of Chongqing Yinghe Yiyuan; and (3) approximately 31.53% equity interest of Zhejiang Resources to the Acquirers at the Consideration of RMB2,308,245,000, subject to adjustments, in aggregate. Pursuant to the Debt Settlement Agreements, the Consideration shall be settled by way of the Debt Settlement, namely, off-setting against the outstanding debts and all accrued interest due from BG Resources to the Acquirers.

## **THE DEBT SETTLEMENT AGREEMENTS**

### **Debt Settlement Agreement A**

#### *Date*

9 January 2023 (after trading hours of the Stock Exchange)

#### *Parties*

- (i) Wuhan Jinxiang, an indirect wholly-owned subsidiary of the Company, as the Acquirer; and
- (ii) Chongqing Feidia, as the Vendor.

Chongqing Feidia is a limited partnership established on 14 July 2022 and is principally engaged in investment holding. As at the date of this announcement, Shiji Jiahe is interested in approximately 99.8% of Chongqing Feidia, and each of Chongqing Heyumei and Chongqing Heyue Yingyu, both are indirect wholly-owned subsidiaries of the Company, is interested in approximately 0.1% of Chongqing Feidia.

### ***Assets to be acquired***

Pursuant to the Debt Settlement Agreement A, Chongqing Feidia has conditionally agreed to transfer 49% equity interest of Chongqing Yayuan Henghui to Wuhan Jinxiang with all rights and interests attaching thereto (including rights to dividends and voting rights). Details of Chongqing Yayuan Henghui are set out in the section headed “Information of the Vendors and the Target Companies” below.

### ***Consideration***

The Consideration in respect of the Debt Settlement Agreement A, subject to adjustments, is approximately RMB929,422,000.

### **Debt Settlement Agreement B**

#### ***Date***

9 January 2023 (after trading hours of the Stock Exchange)

#### ***Parties***

- (i) Chongqing Yingfeng, an indirect wholly-owned subsidiary of the Company, as the Acquirer; and
- (ii) Chongqing Longsay, as the Vendor.

Chongqing Longsay is a limited partnership established on 14 July 2022 and is principally engaged in investment holding. As at the date of this announcement, Shiji Jiahe is interested in approximately 99.8% of Chongqing Longsay, and each of Chongqing Heyumei and Chongqing Heyue Yingyu, both are indirect wholly-owned subsidiaries of the Company, is interested in approximately 0.1% of Chongqing Longsay.

### ***Consideration***

The Consideration in respect of the Debt Settlement Agreement B, subject to adjustments, is approximately RMB932,774,000.

### ***Assets to be acquired***

Pursuant to the Debt Settlement Agreement B, Chongqing Longsay has conditionally agreed to transfer 49% equity interest of Chongqing Yinghe Yiyuan to Chongqing Yingfeng with all rights and interests attaching thereto (including rights to dividends and voting rights). Details of Chongqing Yinghe Yiyuan are set out in the section headed “Information of the Vendors and the Target Companies” below.

### **Debt Settlement Agreement C**

#### ***Date***

9 January 2023 (after trading hours of the Stock Exchange)

#### ***Parties***

- (i) Wuhan Tianhe Jincheng, an indirect 70%-owned subsidiary of the Company, as the Acquirer; and
- (ii) Chongqing Minos, as the Vendor.

Chongqing Minos is a limited partnership established on 21 July 2022 and is principally engaged in investment holding. As at the date of this announcement, Shiji Jiahe is interested in approximately 99.87% of Chongqing Minos, and Chongqing Heyumei and Chongqing Heyue Yingyu, both are indirect wholly-owned subsidiaries of the Company, are interested in an aggregate of approximately 0.13% of Chongqing Minos.

### ***Assets to be acquired***

Pursuant to the Debt Settlement Agreement C, Chongqing Minos has conditionally agreed to transfer approximately 20.59% equity interest of Zhejiang Resources to Wuhan Tianhe Jincheng with all rights and interests attaching thereto (including rights to dividends and voting rights). Details of Zhejiang Resources are set out in the section headed “Information of the Vendors and the Target Companies” below.

#### ***Consideration***

The Consideration in respect of the Debt Settlement Agreement C, subject to adjustments, is approximately RMB291,283,000.

## **Debt Settlement Agreement D**

### ***Date***

9 January 2023 (after trading hours of the Stock Exchange)

### ***Parties***

- (i) Chongqing Yuefeng, an indirect 70%-owned subsidiary of the Company, as the Acquirer; and
- (ii) Chongqing Minos, as the Vendor.

### ***Assets to be acquired***

Pursuant to the Debt Settlement Agreement D, Chongqing Minos has conditionally agreed to transfer approximately 10.94% equity interest of Zhejiang Resources to Chongqing Yuefeng with all rights and interests attaching thereto (including rights to dividends and voting rights). Details of Zhejiang Resources are set out in the section headed “Information of the Vendors and the Target Companies” below.

### ***Consideration***

The Consideration in respect of the Debt Settlement Agreement D, subject to adjustments, is approximately RMB154,766,000.

## **CONSIDERATION**

The Consideration, subject to adjustments, is approximately RMB2,308,245,000 in aggregate, and is agreed between the Acquirers and the Vendors attributable to the equity interests of the Target Companies to be transferred by the Vendors to the Acquirers pursuant to the Debt Settlement Agreements having considered the capital contributed by equity holders of the Target Companies and shall be settled by way of the Debt Settlement, namely, off-setting against the outstanding debts and all accrued interest due from BG Resources to the respective Acquirers.

Chongqing Heyue Yingxu, an indirect wholly-owned subsidiary of the Company, holds 51% equity interest of Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan. As at the date of this announcement, Chongqing Heyue Yingxu has not made any actual capital contribution to Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan.

Chongqing Heyue Yingyu, an indirect wholly-owned subsidiary of the Company, holds approximately 68.47% equity interest of Zhejiang Resources.

The Wealth Elite Group was interested in 49% equity interest of each of Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan and approximately 31.53% equity interest of Zhejiang Resources through its interests in the Vendors.

HK Huzi had been a direct wholly-owned subsidiary of the Company until the Company's disposal of the entire issued share capital of HK Huzi to Wealth Elite on 25 March 2022. For details of the disposal of HK Huzi, please refer to the Company's announcement dated 21 January 2022, circular dated 4 March 2022 and announcement dated 28 March 2022. Following the disposal of HK Huzi, the Huzi Group was indebted to the Group for an amount of approximately RMB6,985.8 million. In particular, BG Resources, a company wholly-owned by HK Huzi, is indebted to the Acquirers, all being indirect subsidiaries of the Company. The Company has carefully considered the repayment ability of BG Resources. Prior to the completion of the disposal of HK Huzi to Wealth Elite by the Company on 25 March 2022, relevant subsidiaries of the Huzi Group entered into the Previous Collateral Agreements with the Group, pursuant to which relevant subsidiaries of the Huzi Group pledged their equity interests in the Target Companies, comprising of 49% equity interest of Chongqing Yayuan Henghui, 49% equity interest of Chongqing Yinghe Yiyuan and 31.53% equity interest of Zhejiang Resources, namely the Pledged Assets, to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to the Group.

In July 2022, the Group and the Wealth Elite Group continued the discussion regarding possible solutions or measures to secure the repayment of the indebtedness owed by BG Resources to the Group. They agreed to establish the Vendors and transfer the Pledged Assets to the Vendors in order for the Group to obtain control and protect its interests over the Pledged Assets. Following the transfer of the Pledged Assets as mentioned above, the Vendors entered into the Collateral Agreements with the Group in 31 July 2022 to replace the Previous Collateral Agreements, pursuant to which the Vendors pledged their equity interests in the Target Companies to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to the Acquirers. There is no material differences in the terms and conditions between the Previous Collateral Agreements and Collateral Agreements. To reduce the amount due from BG Resources, avoid possible impairment loss due to the irrecoverable amount due from BG Resources and to consolidate the Group's equity interest in the Target Companies, the Company proposed to acquire the interests in the Target Companies and entering into the Debt Settlement Agreements to offset the debts owed by BG Resources to the Acquirers.

As disclosed in the circular of the Company dated 2 December 2022, Wealth Elite disposed the entire issued share capital of HK Huzi to Huzi Shareholder in late September 2022. As the Pledged Assets were subject to the pledge created in favor of the Group, the Pledged Assets were not included in the scope of the assets disposed by Wealth Elite to Huzi Shareholder. Accordingly, the Huzi Group transferred its interests in the Vendors to Shiji Jiahe. As the Collateral Agreements entered into previously were still in effect, the Vendors were effectively securing the repayment of indebtedness owed to the Group by BG Resources, notwithstanding the ownership over BG Resources had been transferred from Wealth Elite to Huzi Shareholder.

As at the date of this announcement, (1) BG Resources remains a subsidiary of HK Huzi, and (2) Shiji Jiahe, an indirect wholly-owned subsidiary of Wealth Elite, holds interests in the Vendors and the Target Companies, acknowledging the existence of the Collateral Agreements.

Pursuant to the Debt Settlement Agreements, it has been acknowledged and agreed by the parties thereto that:

- (1) As at the date of the Debt Settlement Agreement A, Chongqing Heyue Yingxu, an indirect wholly-owned subsidiary of the Company, holds 51% equity interest of Chongqing Yayuan Henghui. BG Resources is indebted to Wuhan Jinxiang, an indirect wholly-owned subsidiary of the Company, and as at 30 September 2022, the outstanding principal amount of such debt was approximately RMB910.8 million and the accrued interest was approximately RMB227.7 million. On 31 July 2022, Wuhan Jinxiang and Chongqing Feidia entered into the Collateral Agreement A, pursuant to which Wuhan Jinxiang agreed to accept the pledging of collateral by Chongqing Feidia of its 49% equity interest of Chongqing Yayuan Henghui to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Wuhan Jinxiang. The Debt Settlement Agreement A is to settle the outstanding debt and accrued interest owed by BG Resources to Wuhan Jinxiang by the transfer of the 49% equity interest of Chongqing Yayuan Henghui from Chongqing Feidia to Wuhan Jinxiang.
- (2) As at the date of Debt Settlement Agreement B, Chongqing Heyue Yingxu, an indirect wholly-owned subsidiary of the Company, holds 51% equity interest of Chongqing Yinghe Yiyuan. BG Resources is indebted to Chongqing Yingfeng, an indirect wholly-owned subsidiary of the Company, and as at 30 September 2022, the outstanding principal amount of such debt was approximately RMB716.4 million and the accrued interest was approximately RMB277.4 million. On 31 July 2022, Chongqing Yingfeng and Chongqing Longsay entered into the Collateral Agreement B, pursuant to which Chongqing Yingfeng agreed to accept the pledging of collateral by Chongqing Longsay of its 49% equity interest of Chongqing Yinghe Yiyuan to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Chongqing Yingfeng. The Debt Settlement Agreement B is to settle the outstanding debt and accrued interest owed by BG Resources to Chongqing Yingfeng by the transfer of the 49% equity interest of Chongqing Yinghe Yiyuan from Chongqing Longsay to Chongqing Yingfeng.
- (3) As at the date of Debt Settlement Agreement C, Chongqing Heyue Yingyu, an indirect wholly-owned subsidiary of the Company, holds approximately 68.47% equity interest of Zhejiang Resources. BG Resources is indebted to Wuhan Tianhe Jincheng, an indirect 70%-owned subsidiary of the Company, and as at 30 September 2022, the outstanding principal amount of such debt was approximately RMB198.7 million and the accrued interest was approximately RMB117.2 million. On 31 July 2022, Wuhan Tianhe Jincheng and Chongqing Minos entered into the Collateral Agreement C, pursuant to

which Wuhan Tianhe Jincheng agreed to accept the pledging of collateral by Chongqing Minos of its approximately 20.59% equity interest of Zhejiang Resources to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Wuhan Tianhe Jincheng. The Debt Settlement Agreement C is to settle the outstanding debt and accrued interest owed by BG Resources to Wuhan Tianhe Jincheng by the transfer of the approximately 20.59% equity interest of Zhejiang Resources from Chongqing Minos to Wuhan Tianhe Jincheng.

- (4) As at the date of Debt Settlement Agreement D, Chongqing Heyue Yingyu, an indirect wholly-owned subsidiary of the Company, holds approximately 68.47% equity interest of Zhejiang Resources. BG Resources is indebted to Chongqing Yuefeng, an indirect 70%-owned subsidiary of the Company, and as at 30 September 2022, the outstanding principal amount of such debt was approximately RMB304.9 million and the accrued interest was approximately RMB30.7 million. On 31 July 2022, Chongqing Yuefeng and Chongqing Minos entered into the Collateral Agreement D, pursuant to which Chongqing Yuefeng agreed to accept the pledging of collateral by Chongqing Minos of its approximately 10.94% equity interest of Zhejiang Resources to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Chongqing Yuefeng. The Debt Settlement Agreement D is to settle the outstanding debt and accrued interest owed by BG Resources to Chongqing Yuefeng by the transfer of the approximately 10.94% equity interest of Zhejiang Resources from Chongqing Minos to Chongqing Yuefeng.

The Consideration was determined after arm's length negotiations between the Vendors and the Acquirers with reference to the unaudited net asset values of the Target Companies as at 30 September 2022 as contained in the unaudited management accounts of the Target Companies for the six months ended 30 September 2022. In particular, since Chongqing Heyue Yingxu has not made actual capital contribution to both Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan, all of the assets of Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan were derived from the capital contribution made by the Vendors. Therefore, the Board considers that the Consideration for transfer of 49% equity interests in Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan held by the Vendors shall be 100% of net asset value of Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan, the Target Companies under the Debt Settlement Agreement A and the Debt Settlement Agreement B, respectively. For details of the Target Companies, please refer to the section headed "Information of the Vendors and the Target Companies" below.

Set out below is the aggregation of the Consideration:

<b>Target Companies (Relevant Debt Settlement Agreement(s))</b>	<b>Net asset values as at 30 September 2022 based on the unaudited management accounts of the Target Companies for the six months ended 30 September 2022 (RMB million) (approximate)</b>	<b>Equity interest to be acquired by the Group  (%)</b>	<b>Percentages of net asset value attributable to the equity interest of the Target Company held by Vendor(s) based on capital contribution by the Vendor(s) as at the date of the announcement  (%)</b>	<b>Consideration agreed (RMB million) (approximate)</b>
Chongqing Yayuan Henghui (Debt Settlement Agreement A)	929.4	49.0%	100.0% (Chongqing Heyue Yingxu has not made any actual capital contribution to Chongqing Yayuan Henghui) (Note)	929.4
Chongqing Yinghe Yiyuan (Debt Settlement Agreement B)	932.8	49.0%	100.0% (Chongqing Heyue Yingxu has not made any actual capital contribution to Chongqing Yinghe Yiyuan) (Note)	932.8
Zhejiang Resources (Debt Settlement Agreements C and D)	1,414.7	31.53%	31.53%	446.0
				2,308.2

*Note:* Since the capital contribution periods as stipulated in the articles of association of both Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan have not yet expired, Chongqing Heyue Yingxu has not made actual capital contribution to both Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan. Thus all of the assets of Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan were derived from the capital contribution made by the Vendors. The Board considers that 100% of net asset value of Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan shall be attributed to the 49% equity interest in Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan held by the Vendors.

Parties to the Debt Settlement Agreements have agreed that the Consideration in respect of each Debt Settlement Agreement shall be first applied to the settlement of the accrued interest owing by BG Resources to the respective Acquirers and the remaining balances of the Consideration in respect of each Debt Settlement Agreement shall be applied to the settlement of the outstanding debts owing by BG Resources to the respective Acquirers. If there are remaining outstanding debts owing by BG Resources to the respective Acquirers which are not settled by offsetting the Consideration under the Debt Settlement, such remaining outstanding debts shall continue to be repayable by BG Resources to the relevant Acquirers.

### **Adjustments to Consideration**

Parties to the Debt Settlement Agreements have agreed that the final Consideration in respect of the relevant equity interest of the Target Company under each Debt Settlement Agreement shall be adjusted to the audited net asset value of the relevant Target Company as at 30 September 2022 as audited by the auditor.

### **CONDITIONS PRECEDENT**

Completion of each Debt Settlement Agreement is conditional upon fulfilment or, as the case may be, waiver of the following Conditions:

- (1) the Shareholders (excluding the Shareholders who are required to abstain from voting under the Listing Rules or applicable laws) shall approve the Debt Settlement Agreement and the transactions contemplated thereunder at the SGM;
- (2) all necessary consents required to be obtained on the part of the Company and the Acquirer in relation to the Debt Settlement Agreement and the transactions contemplated thereunder having been obtained;
- (3) parties to the Debt Settlement Agreement having executed documents in relation to the transfers of equity interests of the Target Company to the satisfaction of the Acquirer;
- (4) the shareholders of the Target Company having approved the signing, delivery and performance of the documents in relation to the transfer of the equity interest, waived their pre-emptive rights to purchase and co-sale rights in respect of the relevant equity interest, and amended the articles of association in accordance with the transfer of equity interest; and

- (5) the Target Company having completed the registration of the change of the equity interest and filing with relevant government departments in relation to the transfer of the equity interest and provided the Acquirer with relevant supporting documents.

The Debt Settlement Agreements are not inter-conditional with each other.

Neither the Acquirers or the Vendors shall be entitled to waive any of the Conditions (1) to (4) above. If any of the Conditions is not fulfilled or waived by the Long Stop Date, the Acquirers have the right to terminate the Debt Settlement Agreements, neither the Acquirers nor the Vendors shall be obliged to proceed with the Debt Settlement. The Debt Settlement Agreements can be terminated if the parties to the Debt Settlement Agreements mutually agree to terminate the Debt Settlement Agreements. In such circumstances, the provisions of the Debt Settlement Agreements (other than such clauses relating to confidentiality, compensation and governing law, which shall remain in full force and effect) shall have no effect and the Acquirers and the Vendors shall be released from any further obligations without any liability save for any claims arising out of any antecedent breach of the Debt Settlement Agreements.

## **COMPLETION**

Completion shall take place on the Completion Date when all Conditions set out in the Debt Settlement Agreements have been fulfilled or waived (if applicable).

Upon Completion, the Company's equity interest in (1) Chongqing Yayuan Henghui will increase from 51% to 100%; (2) Chongqing Yinghe Yiyuan will increase from 51% to 100%; and (3) Zhejiang Resources will increase from approximately 68.47% to 100% (of which 31.53% will be held through the Company's 70%-owned subsidiaries), and the financial information of the Target Companies will continue to be consolidated into the financial statements of the Group.

Following the registration of the transfer of the ownership of the relevant equity interests under the Debt Settlement Agreements, the Vendors will no longer have any equity interest of the Target Companies and their obligations under the Collateral Agreements will accordingly be extinguished.

## **INFORMATION OF THE GROUP**

### **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.

## The Acquirers

Wuhan Jinxiang, Chongqing Yingfeng, Wuhan Tianhe Jincheng and Chongqing Yuefeng, each is the Acquirer in respect of the Debt Settlement Agreements A, B, C and D respectively.

Wuhan Jinxiang is a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company and a creditor of BG Resources. Wuhan Jinxiang is principally engaged in investment holding.

Chongqing Yingfeng is a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company and a creditor of BG Resources. Chongqing Yingfeng is principally engaged in property development in the PRC.

Wuhan Tianhe Jincheng is a company established in the PRC with limited liability, and an indirect 70%-owned subsidiary of the Company and a creditor of BG Resources. The remaining 30% equity interest of Wuhan Tianhe Jincheng is owned by Wuhan Hetianrui Investment Co., Ltd.\* (武漢合天瑞投資有限公司) (“**Wuhan Hetianrui**”), a company owned as to 50% by Mr. Jiang Xiaoping (姜曉平) (“**Mr. Jiang**”), 17% by Mr. Hu Bo (胡波), 17% by Mr. Wu Wei (吳偉), and 16% by Mr. Huang Jian (黃健). Apart from Mr. Jiang who is the deputy chief executive officer of the Company and the president of several subsidiaries of the Company, each of Wuhan Hetianrui’s shareholders is a third party independent of the Company and its connected persons. Wuhan Tianhe Jincheng is principally engaged in property development in the PRC.

Chongqing Yuefeng is a company established in the PRC with limited liability, and an indirect 70%-owned subsidiary of the Company and a creditor of BG Resources. The remaining 30% equity interest of Chongqing Yuefeng is owned as to 20% by Chongqing Shengwang Trading Co., Ltd.\* (重慶升旺商貿有限公司) (“**Chongqing Shengwang**”) and 10% by Chongqing Runyang Investment Co., Ltd.\* (重慶潤洋投資有限公司) (“**Chongqing Runyang**”). Chongqing Shengwang is owned as to 90% by Mr. Yang Lixin (楊立新) and 10% by Mr. Cao Jinchuan (曹晉川). Chongqing Runyang is owned as to 50% by Mr. Liu Yang (劉洋) and 50% by Mr. Li Xiaojing (李曉晶). Each of Chongqing Shengwang, Chongqing Runyang and their respective shareholders is a third party independent of the Company and its connected persons. Chongqing Yuefeng is principally engaged in property development in the PRC.

## INFORMATION OF THE VENDORS AND THE TARGET COMPANIES

### The Vendors

#### (1) *Chongqing Feidia*

Chongqing Feidia is a limited partnership established on 14 July 2022 in the PRC and is principally engaged in investment holding. As at the date of this announcement, Shiji Jiahe, as limited partner, is interested in approximately 99.8% of the total interest of Chongqing Feidia, and each of Chongqing Heyumei, as limited partner, and Chongqing Heyue Yingyu, as general partner, both are indirect wholly-owned subsidiaries of the Company, is interested in approximately 0.1% of the total interest of Chongqing Feidia.

#### (2) *Chongqing Longsay*

Chongqing Longsay is a limited partnership established on 14 July 2022 in the PRC and is principally engaged in investment holding. As at the date of this announcement, Shiji Jiahe, as limited partner, is interested in approximately 99.8% of the total interest of Chongqing Longsay, and each of Chongqing Heyumei, as limited partner, and Chongqing Heyue Yingyu, as general partner, both are indirect wholly-owned subsidiaries of the Company is interested in approximately 0.1% of the total interest of Chongqing Longsay.

#### (3) *Chongqing Minos*

Chongqing Minos is a limited partnership established on 21 July 2022 in the PRC and is principally engaged in investment holding. As at the date of this announcement, Shiji Jiahe, as limited partner, is interested in approximately 99.87% of the total interest of Chongqing Minos, and Chongqing Heyumei, as limited partner, and Chongqing Heyue Yingyu, as general partner, both are indirect wholly-owned subsidiaries of the Company, are interested in an aggregate of approximately 0.13% of the total interest of Chongqing Minos.

Given that Chongqing Heyue Yingyu, a wholly-owned subsidiary of the Company, is the general partner of each of the Vendors, the Vendors are regarded as subsidiaries of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than the aforesaid partnership arrangements in respect of each of the Vendors that Chongqing Heyumei and Chongqing Heyue Yingyu, both are indirect wholly-owned subsidiaries of the Company, are limited partner and general partner of the Vendors respectively, other ultimate beneficial owners of the Vendors are third parties independent of the Company and its connected persons.

## **The Target Companies**

### **(1) *Chongqing Yayuan Henghui***

Chongqing Yayuan Henghui is a company established on 22 December 2021 in the PRC with limited liability. Chongqing Yayuan Henghui is held as to 51% by Chongqing Heyue Yingxu, an indirect wholly-owned subsidiary of the Company, and as to 49% by Chongqing Feidia, the Vendor in respect of the Debt Settlement Agreement A.

Chongqing Yayuan Henghui is principally engaged in investment holding and its principal assets are receivables from certain subsidiaries of the Group.

### **(2) *Chongqing Yinghe Yiyuan***

Chongqing Yinghe Yiyuan is a company established on 15 December 2021 in the PRC with limited liability and principally engaged in investment holding. Chongqing Yinghe Yiyuan is held as to 51% by Chongqing Heyue Yingxu, an indirect wholly-owned subsidiary of the Company, and as to 49% by Chongqing Longsay, the Vendor in respect of the Debt Settlement Agreement B. Chengdu Yinghe Zhiyuan Enterprise Management Co., Ltd.\* (成都盈合智遠企業管理有限公司), a wholly-owned subsidiary of Chongqing Yinghe Yiyuan established on 11 July 2022, is principally engaged in property agency activities.

Chongqing Yinghe Yiyuan is principally engaged in investment holding and its principal asset is receivable from certain subsidiary of the Group.

### **(3) *Zhejiang Resources***

Zhejiang Resources is a company established on 23 October 2015 in the PRC with limited liability. Zhejiang Resources is held as to approximately 68.47% by Chongqing Heyue Yingyu, an indirect wholly-owned subsidiary of the Company, and as to approximately 31.53% by Chongqing Minos, the Vendor in respect of the Debt Settlement Agreements C and D.

Zhejiang Resources is principally engaged in property development business in the PRC and its principal assets are inventory of properties and receivables from certain subsidiaries of the Group and BG Resources. Hangzhou Yuanen Business Management Co., Ltd.\* (杭州緣恩商業管理有限公司), a wholly-owned subsidiary of Zhejiang Resources established on 24 November 2021, is principally engaged in property leasing and management.

Set out below are details of inventory of properties held by Zhejiang Resources:

Location in the PRC	Project name	Effective equity interest	Type and number of properties held	Appraised value by the valuer as at 31 October 2022 (RMB)
Hangzhou, Zhejiang (浙江杭州)	PKU Resources • Wei Ming Mansion* (北大資源 • 未名府)	100%	34 apartments, 178 retail units and 340 car parking spaces	309,100,000

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the transactions contemplated under the Debt Settlement Agreements were not related to any of the Company's current material litigations.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for the following ongoing legal proceedings where Zhejiang Resources are involved in as defendants (the “**Relevant Litigations**”), the Target Companies are not involved in any other litigations as at the date of this announcement:

- (1) a civil legal proceeding filed by China Construction Eighth Engineering Division Corp., Ltd.\* (中國建築第八工程局有限公司) against Zhejiang Resources with the Zhejiang Hangzhou Intermediate People's Court\* (浙江省杭州市中級人民法院) in respect of outstanding construction project sum with interests and penalties amounting to approximately RMB105.3 million, in relation to a property development project of Zhejiang Resources. As at the date of this announcement, the hearing has taken place, with judgment from the court pending;
- (2) a civil legal proceeding filed by Western Trust Co., Ltd.\* (西部信託有限公司) against Zhejiang Resources with the Shaanxi Xi'an Intermediate People's Court\* (陝西省西安市中級人民法院) in respect of outstanding debts with interests and penalties amounting to approximately RMB389.4 million, in relation to a three-year loan provided from the plaintiff to Zhejiang Resources for an aggregate principal amount of approximately RMB300 million with an interest rate of approximately 10.4% per annum and secured by pledging a parcel of land in Yuhang District, Hangzhou. On 1 April 2022, the court issued the first instance judgment in favour of the plaintiff, ordering Zhejiang Resources to repay the outstanding principal with interests and penalties, and that the plaintiff shall be entitled to the proceeds from the auction or sale of the pledged parcel of land for the purpose of satisfying the judgment sum. Subsequently, Zhejiang Resources appealed to Shaanxi Higher People's Court\* (陝西省高級人民法院). As at the date of this announcement, the hearing has taken place, with judgment from the court pending;

- (3) a civil legal proceeding filed by Beijing PKU Resources Property Management Group Co., Ltd.\* (北京北大資源物業經營管理集團有限公司) against Zhejiang Resources with the People's Court of Yuhang District, Hangzhou\* (杭州市餘杭區人民法院) in respect of outstanding property management services fees with penalties amounting to approximately RMB6.7 million, in relation to property management services provided to a property project of Zhejiang Resources. As at the date of this announcement, the hearing has not yet taken place;
- (4) a civil legal proceeding filed by Peking University Founder Group Company Limited (北大方正集團有限公司) ("**Peking Founder**"), a former controlling shareholder of the Company, against Zhejiang Resources with the No. 1 Intermediate People's Court of Beijing\* (北京市第一中級人民法院) in respect of outstanding debts with interests and penalties amounting to approximately RMB8.4 million, in relation to a 12-month loan provided from Peking Founder to Zhejiang Resources for an aggregate principal amount of approximately RMB8 million with an interest rate of approximately 4.66% per annum, for the purpose of providing funds for Zhejiang Resources to pay for construction project sums in relation to a property development project. As at the date of this announcement, the court has issued judgment, which ruled that Zhejiang Resources shall repay the outstanding debts. Zhejiang Resources is preparing to file an appeal to the judgment;
- (5) a civil legal proceeding filed by Peking Founder against Zhejiang Resources with the No. 1 Intermediate People's Court of Beijing\* (北京市第一中級人民法院) in respect of outstanding debts with interests and penalties amounting to approximately RMB3.8 million, in relation to a 12-months loan provided from Peking Founder to Zhejiang Resources for an aggregate principal amount of approximately RMB3.6 million with an interest rate of approximately 4.66% per annum, for the purpose of providing funds for Zhejiang Resources to pay for construction project sums in relation to a property development project. As at the date of this announcement, the court has issued judgment, which ruled that Zhejiang Resources shall repay the outstanding debts. Zhejiang Resources is preparing to file an appeal to the judgment;
- (6) a civil legal proceeding filed by Shenzhen Jianyi Decoration Group Co., Ltd.\* (深圳市建藝裝飾集團股份有限公司) against Zhejiang Resources with the People's Court of Yuhang District, Hangzhou\* (杭州市餘杭區人民法院) in respect of certain outstanding construction project sums. As at the date of this announcement, the legal proceeding is in a preliminary stage and the precise amount claimed by the plaintiff is still unknown;
- (7) a civil legal proceeding filed by China Construction Buer Curtain Wall & Decoration Co., Ltd\* (中建不二幕牆裝飾有限公司) against Zhejiang Resources with the People's Court of Yuhang District, Hangzhou\* (杭州市餘杭區人民法院) in respect of outstanding construction project sum with interests and penalties amounting to approximately RMB9.2 million, in relation to a property development project of Zhejiang Resources. As at the date of this announcement, the hearing has not yet taken place;

- (8) a civil legal proceeding filed by Zhejiang World Trade Decoration Co., Ltd.\* (浙江世貿裝飾股份有限公司) against Zhejiang Resources with the People's Court of Yuhang District, Hangzhou\* (杭州市餘杭區人民法院) in respect of outstanding construction project sum with interests and penalties, as well as the return of project quality deposits, amounting to approximately RMB1.3 million, in relation to a property development project of Zhejiang Resources. As at the date of this announcement, the hearing has taken place, with judgment from the court pending;
- (9) a civil legal proceeding filed by Wanbang Digital Energy Co., Ltd.\* (江蘇萬幫德和新能源科技股份有限公司) against Zhejiang Resources with the People's Court of Yuhang District, Hangzhou\* (杭州市餘杭區人民法院) in respect of outstanding construction project sum amounting to approximately RMB140,000, in relation to a property development project of Zhejiang Resources. As at the date of this announcement, mediation process is ongoing and the hearing has not yet taken place;
- (10) a civil legal proceeding filed by Zhejiang New Interactive Culture Media Co., Ltd.\* (浙江新互動文化傳媒有限公司) against Zhejiang Resources with the People's Court of Yuhang District, Hangzhou\* (杭州市餘杭區人民法院) in respect of outstanding professional services fee with penalties amounting to approximately RMB20,000. As at the date of this announcement, the hearing has taken place, with judgment from the court pending;
- (11) a civil legal proceeding filed by Hitachi Elevator (China) Hangzhou Engineering Co., Ltd.\* (日立電梯(中國)有限公司杭州工程有限公司) against Zhejiang Resources with the People's Court of Yuhang District, Hangzhou\* (杭州市餘杭區人民法院) in respect of outstanding construction project sum with penalties amounting to approximately RMB2.3 million, in relation to a property development project of Zhejiang Resources. As at the date of this announcement, the hearing has taken place, with judgment from the court pending; and
- (12) a civil legal proceeding filed by Beijing PKU Resources Property Management Group Co., Ltd. Hangzhou Branch\* (北京北大資源物業經營管理集團有限公司杭州分公司) against Zhejiang Resources with the People's Court of Xihu District, Hangzhou\* (杭州市西湖區人民法院) in respect of outstanding property management services fees with penalties amounting to approximately RMB240,000, in relation to property management services provided to a property project of Zhejiang Resources. As at the date of this announcement, the hearing has taken place, with judgment from the court pending.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all the plaintiffs of the Relevant Litigations are third parties independent of the Company and its connected persons.

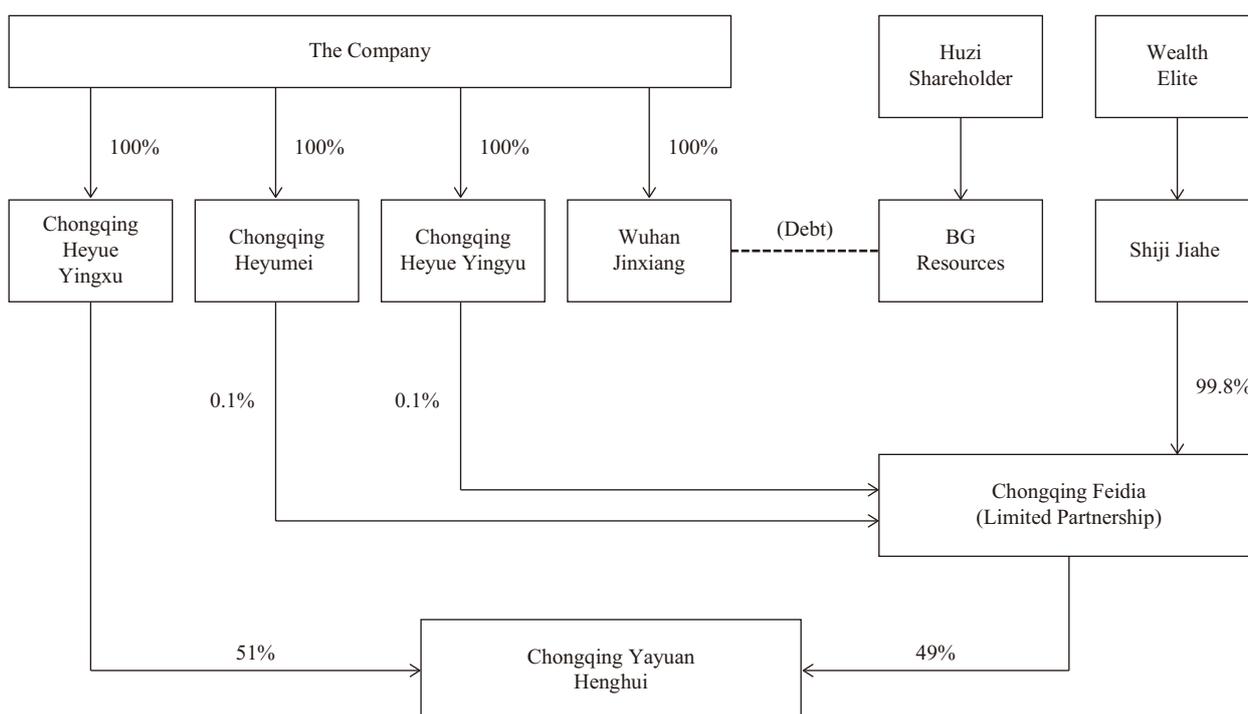
Despite the various ongoing legal proceedings where Zhejiang Resources are involved in as defendants and the contingent liabilities, the Board considers that the acquisition of 31.53% equity interest of Zhejiang Resources is in the interest of the Company and the Shareholders as whole and the Consideration for the acquisition of 31.53% equity interest of Zhejiang Resources is fair and reasonable after taking into account the followings:

- (i) as Zhejiang Resources currently is a subsidiary of the Company, the Group has been dealing with the Relevant Litigations all along. Thus, the acquisition of 31.53% equity interest of Zhejiang Resources will not bring additional burden on the Group in terms of the amounts of resources and expenses required for the Group to deal with the Relevant Litigations;
- (ii) the Consideration for the acquisition of 31.53% equity interest of Zhejiang Resources shall be adjusted to the percentage of audited net asset value of Zhejiang Resources as at 30 September 2022 attributable to the equity interest sold as shown in the audited financial statement of Zhejiang Resources, which has already recognized all of the underlying indebtedness relating to, and/or the contingent liabilities resulting from the Relevant Litigations; and
- (iii) the acquisition of 31.53% equity interest of Zhejiang Resources to offset the debts owed by BG Resources to the relevant Acquirers is beneficial to the Group, as it effectively reduces the amount due from BG Resources and avoid possible impairment loss due to the irrecoverable amount due from BG Resources.

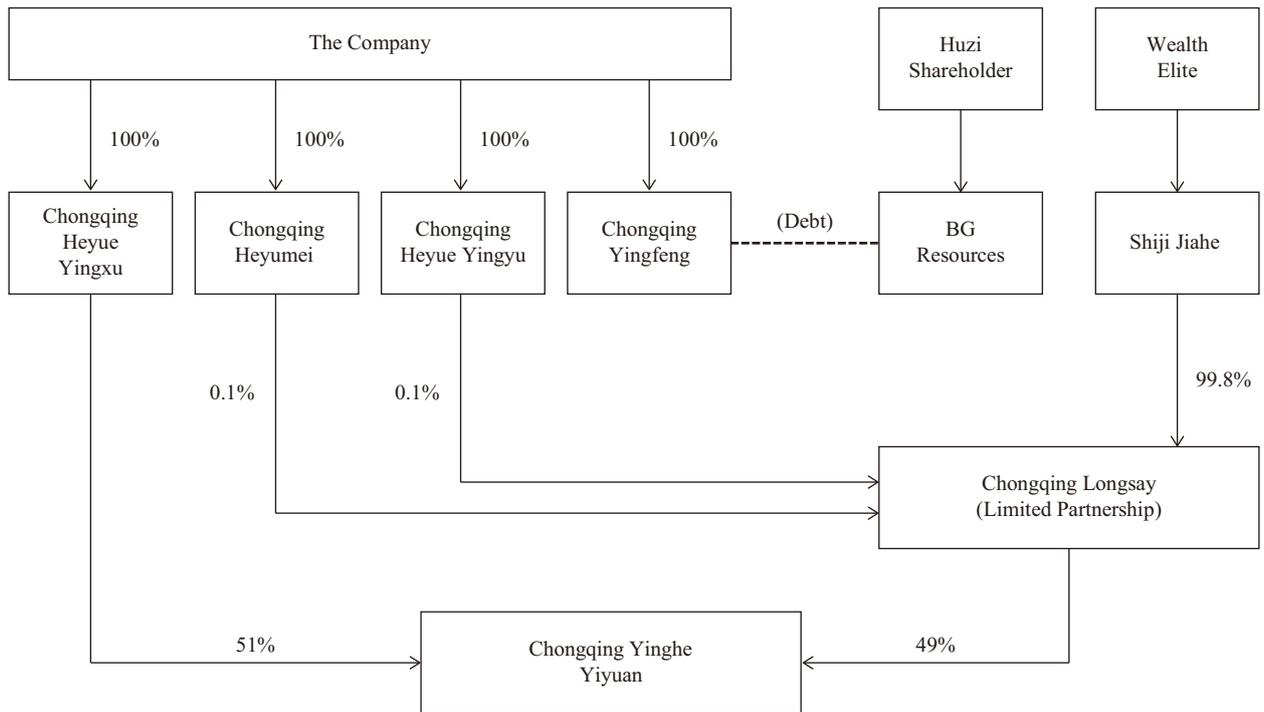
### Group structure of the Target Companies

The diagram below depicts the group structure of the Target Companies as at the date of this announcement:

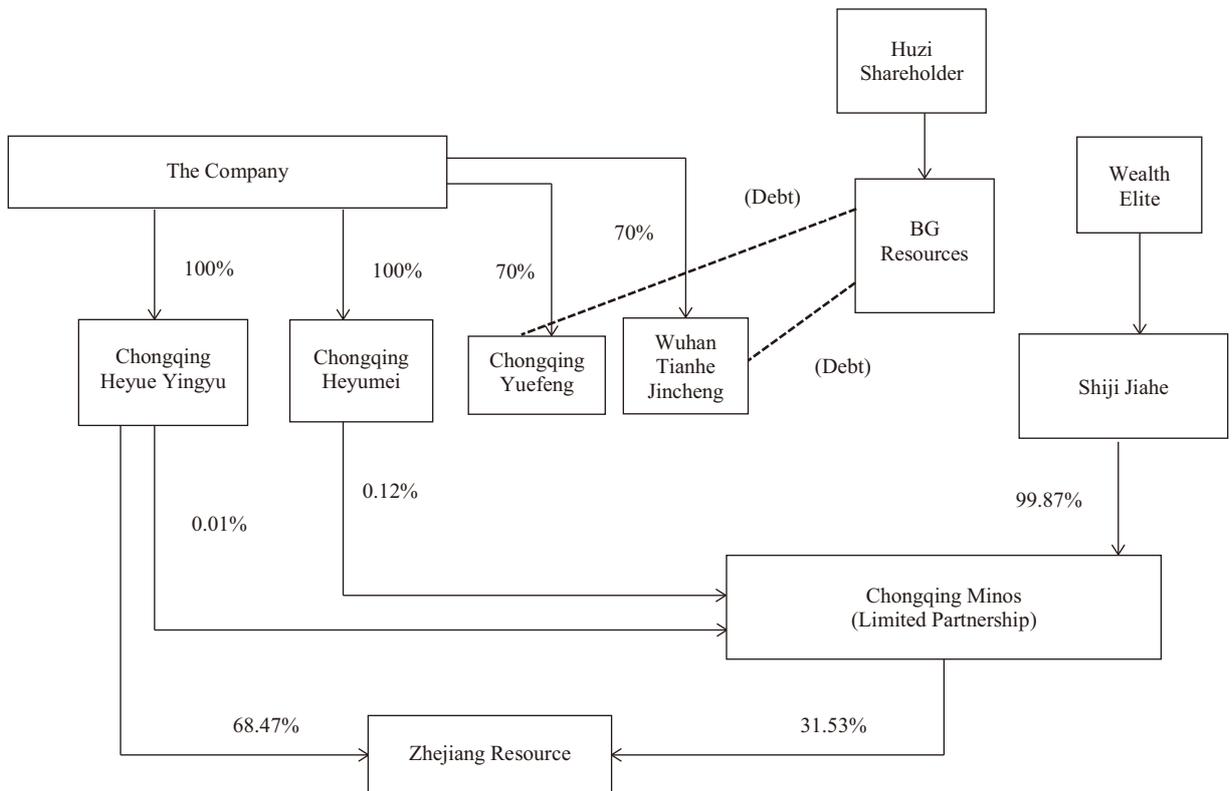
#### *Chongqing Yayuan Henghui*



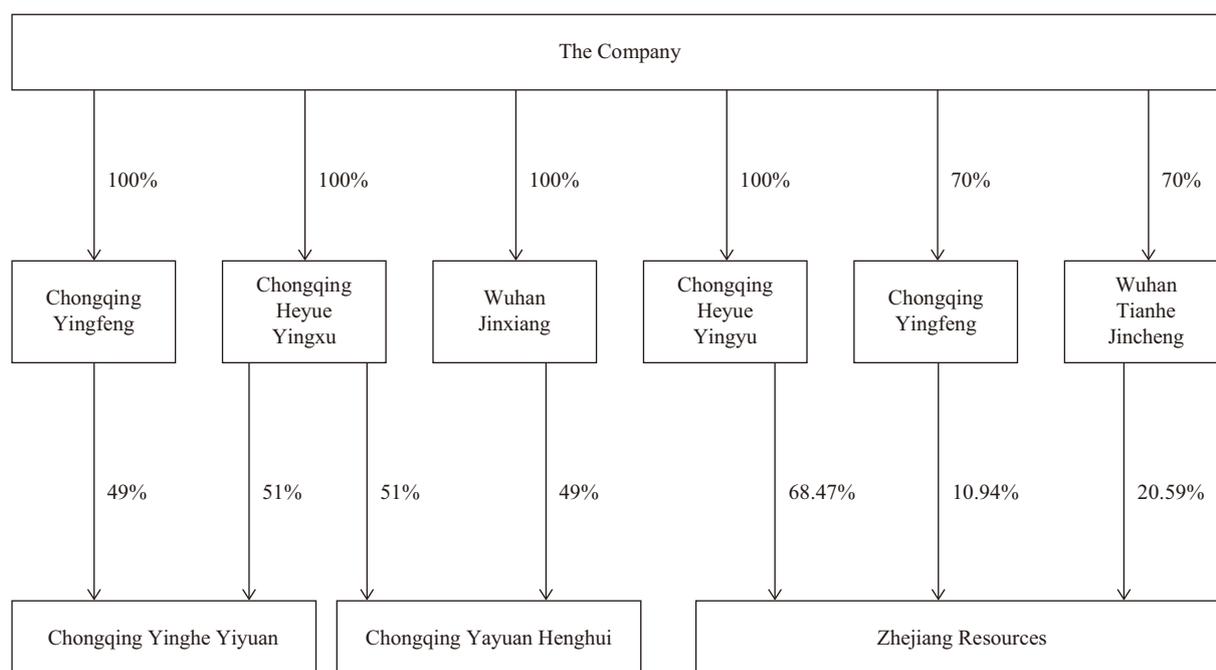
**Chongqing Yinghe Yiyuan**



**Zhejiang Resource**



The diagram below depicts the group structure of the Target Companies immediately after Completion:



### Financial information of the Target Companies

Set out below is the unaudited financial information of the Target Companies extracted from the unaudited management accounts of Chongqing Yayuan Henghui and the unaudited consolidated management accounts of Chongqing Yinghe Yiyuan and Zhejiang Resources for the year ended 31 December 2020, the fifteen months ended 31 March 2022 and the six months ended 30 September 2022, respectively:

#### (1) Chongqing Yayuan Henghui

	<b>For the year ended 31 December 2020 (RMB million)</b>	<b>For the fifteen months ended 31 March 2022 (RMB million)</b>	<b>For the six months ended 30 September 2022 (RMB million)</b>
Revenue	–	–	–
Net loss for the year/period before taxation	–	–	51.6
Net loss for the year/period after taxation	–	–	51.6

	<b>As at 31 December 2020 (RMB million)</b>	<b>As at 31 March 2022 (RMB million)</b>	<b>As at 30 September 2022 (RMB million)</b>
Total assets	–	981.0	929.4
Total liabilities	–	–	–
Net assets/(liabilities)	–	981.0	929.4

**(2) Chongqing Yinghe Yiyuan**

	<b>For the year ended 31 December 2020 (RMB million)</b>	<b>For the fifteen months ended 31 March 2022 (RMB million)</b>	<b>For the six months ended 30 September 2022 (RMB million)</b>
Revenue	–	–	–
Net loss for the year/period before taxation	–	–	48.2
Net loss for the year/period after taxation	–	–	48.2

	<b>As at 31 December 2020 (RMB million)</b>	<b>As at 31 March 2022 (RMB million)</b>	<b>As at 30 September 2022 (RMB million)</b>
Total assets	–	981.0	932.8
Total liabilities	–	–	–
Net assets/(liabilities)	–	981.0	932.8

**(3) Zhejiang Resources**

	<b>For the year ended 31 December 2020 (RMB million)</b>	<b>For the fifteen months ended 31 March 2022 (RMB million)</b>	<b>For the six months ended 30 September 2022 (RMB million)</b>
Revenue	8.4	15.9	2.3
Net loss for the year/period before taxation	8.0	473.3	144.1
Net loss for the year/period after taxation	55.1	478.2	144.6

	<b>As at 31 December 2020</b> <i>(RMB million)</i>	<b>As at 31 March 2022</b> <i>(RMB million)</i>	<b>As at 30 September 2022</b> <i>(RMB million)</i>
Total assets	2,189.8	2,412.8	2,294.3
Total liabilities	791.2	853.5	879.6
Net assets/(liabilities)	1,398.6	1,559.3	1,414.7

Set out below are the details of the receivables of each of the Target Companies due from the Group as at 30 September 2022:

<b>Target Companies</b>	<b>Subsidiaries of the Company</b>	<b>Total outstanding amount as at 30 September 2022</b> <i>(RMB million)</i> <i>(approximate)</i>	<b>Time of receivables incurred</b>	<b>Nature</b>
Chongqing Yinghe Yiyuan	Chongqing Yingfeng	870.0	September 2022	<i>(Note 1)</i>
Chongqing Yayuan Henghui	Wuhan Hexin Trading Co., Ltd.* (武漢合信商貿有 限公司)	120.0	March 2022 to September 2022	<i>(Note 1)</i>
Chongqing Yayuan Henghui	Tianjin Ruihesheng Project Management Co., Ltd.* (天津睿和升項目管理有 限公司)	150.0	September 2022	<i>(Note 1)</i>
Chongqing Yayuan Henghui	Wuhan Jinxiang	205.0	March 2022 to September 2022	<i>(Note 1)</i>
Chongqing Yayuan Henghui	Wuhan Jinjing Real Estate Marketing Co., Ltd.* (武漢錦京房地產營銷 有限公司)	87.2	March 2022 to September 2022	<i>(Note 1)</i>
Chongqing Yayuan Henghui	Wuhan Heliang Investment Development Co., Ltd.* (武漢合良投資發展 有限公司)	370.0	March 2022 to September 2022	<i>(Note 1)</i>
Zhejiang Resources	Wuhan Tianyi Asset Management Co., Ltd.* (武漢天怡資產管理 有限公司)	417.1	March 2022	<i>(Note 1)</i>

Target Companies	Subsidiaries of the Company	Total outstanding amount as at 30 September 2022 (RMB million) (approximate)	Time of receivables incurred	Nature
Zhejiang Resources	Chongqing Ruihesheng Project Management Co., Ltd.* (重慶睿和升項目管理有限公司)	49.3	March 2022	(Note 1)
Zhejiang Resources	Yuxi Runya Real Estate Co., Ltd.* (玉溪潤雅置業有限公司) (“Yuxi Runya”)	1,433.1	March 2022	(Note 2)
Total		<u>3,701.7</u>		

Note 1: Lent out capital fund contributed by non-controlling shareholders of the Target Companies.

Note 2: Lent out the idle funds to finance Yuxi Runya in previous years.

## INFORMATION ON HUZI SHAREHOLDER

Huzi Shareholder is an individual investor with extensive investment experience in the capital market. As at the date of this announcement, Huzi Shareholder held 105,000,000 Shares, representing approximately 1.36% of the issued share capital of the Company.

On 25 March 2022, the Company completed the disposal of entire issued share capital of HK Huzi to Wealth Elite. Subsequently, the Company was informed that Huzi Shareholder had acquired the entire issued share capital of HK Huzi from Wealth Elite in late September 2022 and became the sole ultimate beneficial owner of HK Huzi. As at 30 September 2022, the Huzi Group was indebted to the Group in the aggregate amount of approximately RMB6,907.5 million.

On 19 October 2022, the Company and Huzi Shareholder entered into a sale and purchase agreement, pursuant to which the Company shall dispose the entire issued share capital of Founder Data Corporation International Limited (方正數碼國際有限公司), a company incorporated in the British Virgin Islands with limited liability to Huzi Shareholder. On 10 November 2022, the Company and Huzi Shareholder entered into a supplemental agreement, pursuant to which the completion of certain reorganization was designated as an extra condition precedent to the completion of the said disposal. At the special general meeting of the Company held on 22 December 2022, the Shareholders passed resolutions to approve the disposal and the transactions thereunder. For details, please refer to the Company’s announcements dated 19 October 2022, 10 November 2022 and 22 December 2022, and circular dated 2 December 2022.

Although there were past business dealings between Huzi Shareholder and the Company, the Debt Settlement Agreements and the transactions contemplated thereunder have no relationship with the past business dealing between Huzi Shareholder and the Company.

Save for the aforesaid, the Company has no other relationship and past business dealings with Huzi Shareholder.

To the best of the Director's knowledge, information and belief, after having made all reasonable enquiries, Huzi Shareholder is a third party independent of the Company and its connected persons.

On 26 September 2022, Huzi Shareholder and Wealth Elite entered into a sale and purchase agreement, pursuant to which Wealth Elite agreed to sell and Huzi Shareholder agreed to purchase the entire issued share capital of HK Huzi. The disposal of HK Huzi (and accordingly, HK Huzi's subsidiaries, which include BG Resources but excluding the Pledged Assets) from Wealth Elite to Huzi Shareholder was completed on the same day. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for the aforesaid, there is no other relationship and past business dealings between Huzi Shareholder and Wealth Elite.

#### **INFORMATION ON WEALTH ELITE**

Wealth Elite is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. Wealth Elite is wholly-owned by Mr. Oh Choon Gan, Eric, who is a Singaporean.

As disclosed in the circular of the Company dated 4 March 2022 in relation to the disposal of HK Huzi, Wealth Elite took part in a restructuring of the debts and assets of the Group. In November 2021, Founder Information (Hong Kong) Limited ("**Founder Information**"), a former controlling Shareholder of the Company, assigned and transferred its interest in outstanding debts of approximately HK\$863 million owed by the Group to Founder Information (the "**Founder Information Debt**") to Wealth Elite, thus the Group became indebted to Wealth Elite with respect to the Founder Information Debt. Further, Wealth Elite acquired 63% of the issued share capital of Superb Virtue Limited ("**Superb Virtue**") from the Group in November 2021 at the consideration of HK\$27 million, which was satisfied by offsetting against part of the Founder Information Debt. After the said acquisition, Wealth Elite repaid certain indebtedness owed by Superb Virtue and its subsidiaries to the Group through a further offsetting against the Founder Information Debt. Following completion of the aforementioned debt and assets restructuring, (i) Wealth Elite holds 63% of the issued share capital of Superb Virtue and (ii) Hong Kong Resources Rui Cheng Property Holdings Limited (香港資源睿成地產控股有限公司) ("**Rui Cheng**"), an indirect wholly-owned subsidiary of the Company, was indebted to Wealth Elite in the aggregate amount of approximately HK\$184 million (the "**Rui Cheng Debt**").

On 25 March 2022, the Company has completed the disposal of entire issued share capital of HK Huzi to Wealth Elite at the consideration of HK\$20 million, which was satisfied by offsetting in full against part of the Rui Cheng Debt on dollar-for-dollar basis. In addition, the Huzi Group was indebted to the Group in the aggregate amount of approximately RMB6,985.8 million upon the completion of the disposal. Accordingly, following the disposal of HK Huzi to Wealth Elite, (i) Rui Cheng, an indirect wholly-owned subsidiary of the Company, was indebted to Wealth Elite in the aggregate amount of approximately HK\$164 million; and (ii) the Huzi Group, which was wholly held by Wealth Elite at the material time, was indebted to the Group in the aggregate amount of approximately RMB6,985.8 million.

As disclosed in the section headed “Consideration” of this announcement, prior to the completion of the disposal of HK Huzi to Wealth Elite by the Company, relevant subsidiaries of the Huzi Group entered into the Previous Collateral Agreements with the Group, pursuant to which relevant subsidiaries of the Huzi Group pledged their equity interests in the Target Companies, namely the Pledged Assets, to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to the Group. The Group and the Wealth Elite Group subsequently established the Vendors and transferred the Pledged Assets to the Vendors in order for the Group to obtain control and protect its interests over the Pledged Assets. Following the transfer of the Pledged Assets as mentioned above, the Vendors entered into the Collateral Agreements with the Group in 31 July 2022 to replace the Previous Collateral Agreements, pursuant to which the Vendors pledged their equity interests in the Target Companies to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to the Acquirers. To reduce the amount due from BG Resources, avoid possible impairment loss due to the irrecoverable amount due from BG Resources and to consolidate the Group’s equity interest in the Target Companies, the Company proposed the transactions contemplated hereunder to acquire the interests in the Target Companies and entering into the Debt Settlement Agreements to offset the debts owed by BG Resources to the Acquirers.

On 26 September 2022, Wealth Elite disposed the entire issued share capital of HK Huzi to Huzi Shareholder. As the Pledged Assets were subject to the pledge created in favor of the Group, the Pledged Assets were not included in the scope of the assets disposed by Wealth Elite to Huzi Shareholder. Accordingly, the Huzi Group transferred its interests in the Vendors to Shiji Jiahe and the Collateral Agreements entered into previously were still in effect.

Save for the aforesaid, the Company has no other past business dealings with Wealth Elite and its ultimate beneficial owner, and there is no other relationship between the transactions contemplated hereunder and the past business dealing between Wealth Elite (and its ultimate beneficial owner) and the Company.

## REASONS FOR AND BENEFITS OF THE DEBT SETTLEMENT

On 14 December 2022, the Company published its interim report for the six months ended 30 September 2022. As reported in the 2022/23 Interim Financial Statements, the equity attributable to owners of the Company was of approximately RMB56.7 million as at 30 September 2022. The carrying value of “prepayments, other receivables and other assets” amounted to approximately RMB5,356.1 million, of which amount due from the Huzi Group, was approximately RMB3,604.3 million in aggregate (the “**Former Group Companies Receivables**”). The Former Group Companies Receivables accounted for approximately 21.3% of the total assets of the Group of approximately RMB16,923.6 million as at 30 September 2022. Set out below are the details of the Former Group Companies Receivables as at 30 September 2022:

Subsidiaries of the Company	Former group companies	Principal amount of debt due from former group companies	Accrued interest as at	Total outstanding amount as at	Consideration under the relevant Debt Settlement Agreements, subject to adjustments	Outstanding amount owed by former group companies following the Debt Settlement	Time of principal incurred	Nature
		as at 30 September 2022	30 September 2022	30 September 2022	(RMB million)	(RMB million)		
Wuhan Jinxiang	BG Resources	910.8	227.7	1,138.5	Debt Settlement Agreement A: 929.4	209.1	October 2015 to June 2020	(Note 1)
Chongqing Yingfeng	BG Resources	716.4	277.4	993.8	Debt Settlement Agreement B: 932.8	61.0	December 2015 to June 2019	(Note 1)
Wuhan Tianhe Jincheng	BG Resources	198.7	117.2	315.9	Debt Settlement Agreement C: 291.3	24.6	July 2016 to June 2020	(Note 1)
Chongqing Yuefeng	BG Resources	304.9	30.7	335.6	Debt Settlement Agreement D: 154.7	180.9	March 2016 to October 2020	(Note 1)
Guiyang Henglong Real Estate Co., Ltd.* (貴陽恒隆置業有限公司)	BG Resources	827.2	156.4	983.6	N/A	983.6	August 2015 to October 2020	(Note 1)
Foshan Peking University Resources Real Estate Co., Ltd.* (佛山北大資源地產有限公司)	BG Resources	392.3	95.5	487.8	N/A	487.8	December 2015 to June 2020	(Note 1)
Ezhou Jinfeng Real Estate Development Co., Ltd.* (鄂州金豐房地產開發有限公司)	BG Resources	328.0	88.7	416.7	N/A	416.7	May 2019 to September 2020	(Note 1)
Zhejiang Resources	BG Resources	328.2	47.5	375.7	N/A	375.7	December 2015 to September 2020	(Note 1)
Tianhe Real Estate Development Co., Ltd.* (天合地產發展有限公司)	BG Resources		238.4	238.4	N/A	238.4	December 2015 to June 2020	(Note 1)

Subsidiaries of the Company	Former group companies	Principal amount of debt due from former group companies		Total outstanding amount as at 30 September 2022	Consideration under the relevant Debt Settlement Agreements, subject to adjustments	Outstanding amount owed by former group companies following the Debt Settlement	Time of principal incurred	Nature
		as at 30 September 2022	Accrued interest as at 30 September 2022					
		(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)		
		(approximate)	(approximate)	(approximate)	(approximate)	(approximate)		
Beijing Founder Century Information System Co., Ltd.* (北京方正世紀信息系統有限公司) (“Founder Century”)	Dongguan Yihui Real Estate Co., Ltd.* (東莞億輝地產有限公司)	1,241.9	368.4	1,610.3	N/A	1,610.3	February 2019	(Note 2)
Others	Certain former group companies			11.2	N/A	11.2		
Total				6,907.5	2,308.2	4,599.3		
Provision provided as at 30 September 2022				(3,303.2)		(2,985.0)		
Net carrying balance as at 30 September 2022				3,604.3		1,614.3		

*Note 1:* In previous years, subsidiaries of the Company lent the idle funds to BG Resources (as an internal fund allocation platform) for the principal and interest, which were adjusted and used within the Group.

*Note 2:* Founder Century borrowed such loan from CITIC Trust Co. Ltd. in 2019. Dongguan Yihui Real Estate Co., Ltd. has pledged certain land property as security for repayment of the loan and has agreed to assume the liabilities of Founder Century to repay such loan.

The Company considers that it is beneficial to the Group to remove the uncertainties in relation to the debts due from BG Resources. BG Resources is a wholly-owned subsidiary of HK Huzi and is a holding and management company without substantive assets other than receivables and investments holding of equity interests of the other companies in the Huzi Group. As such, there are uncertainties as to recoverability of the debts due from BG Resources. As a result of the Debt Settlement, the Group will consolidate the equity interest of the Target Companies. As noted above, other than the inventory of properties held by Zhejiang Resources, the principal assets of the Target Companies are receivables from certain subsidiaries of the Group. By acquiring the remaining equity interests of the Target Companies, the Group can consolidate the equity interest of the Target Companies, improve the quality of the assets of the Group and reduce the amount of non-controlling interests of the Group.

Following Completion, the amount of the Former Group Companies Receivables will be reduced by approximately RMB1,990.0 million (the reduction in gross carrying amount of receivables from BG Resources by approximately RMB2,308.2 million; netting off a reversal of impairment loss of approximately RMB318.2 million) to approximately RMB1,614.3 million. The Group will record a net gain from the Debt Settlement of approximately RMB318.2 million as the result of the reversal of impairment loss against the receivables of the Acquirers due from BG Resources. Furthermore, the equity attributable to owners of the Company will be increased by approximately RMB318.2 million to approximately RMB374.9 million and the non-controlling interests of the Group will be reduced by approximately RMB2,308.2 million to approximately RMB588.8 million. Although provisions were made, the debts due from the former group companies (including BG Resources) of approximately RMB4,599.3 million remain outstanding and shall continue to be repayable by the former group companies (including BG Resources). The above financial impact is shown for illustrative purpose only and Shareholders shall note that the actual gain or loss as a result of the Acquisition to be recognised in the consolidated financial statements of the Group is subject to review and final audit by the auditors of the Company. The Group will continue to negotiate with the Huzi Group as to the repayment of the outstanding debts.

On the basis of the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Debt Settlement Agreements are fair and reasonable, the transactions contemplated under the Debt Settlement Agreements are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Debt Settlement Agreements and the transactions contemplated thereunder together constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements. The SGM will be convened and held for the purpose of considering and, if thought fit, approving the resolution(s) in respect of the Debt Settlement Agreements and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than Huzi Shareholder, holding 105,000,000 Shares, representing approximately 1.36% of the issued Shares as at the date of this announcement, who has a material interest in the Debt Settlement and shall abstain from voting, no Shareholder has a material interest in the Debt Settlement Agreements and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolution(s) to be proposed at the SGM.

## DESPATCH OF CIRCULAR

A circular containing, among other things, (i) the details of the Debt Settlement Agreements and the transactions contemplated thereunder; (ii) a property valuation report on the properties held by Zhejiang Resources; (iii) the financial information of the Group; (iv) the financial information of the Target Companies; (v) the unaudited pro forma financial information of the Enlarged Group assuming Completion takes place; (vi) the notice convening the SGM; and (vii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 13 February 2023, which has been determined after taking into account of the estimated time required for the Company to prepare relevant information for inclusion in the circular.

## WARNING

**As the Completion of the Debt Settlement is subject to the satisfaction of a number of conditions precedent as set out in the Debt Settlement Agreements, the Debt Settlement may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“2022/23 Interim Financial Statements”	the unaudited consolidated financial statements of the Group for the six months ended 30 September 2022 contained in the interim report of the Company for the six months ended 30 September 2022
“Acquirer(s)”	Wuhan Jinxiang, Chongqing Yingfeng, Wuhan Tianhe Jincheng, and Chongqing Yuefeng, each is the Acquirer in respect of the Debt Settlement Agreements A, B, C and D respectively, together the Acquirers
“BG Resources”	Beijing Gangtong Resources Enterprise Management Co., Ltd.* (北京港通資源企業管理有限公司), a company established in the PRC with limited liability, being a wholly-owned subsidiary of HK Huzi, and a debtor of the Acquirers
“Board”	the board of Directors

“Business Day(s)”	a day on which banks are generally open for business in Hong Kong, except a Sunday and a Saturday or a day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Chongqing Feidia”	Chongqing Feidia Information Technology Partnership (Limited Partnership)* (重慶飛迪亞信息技術合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability, being owned as to approximately 99.8% by Shiji Jiahe and as to approximately 0.1% by each of Chongqing Heyumei and Chongqing Heyue Yingyu, and being the Vendor in respect of the Debt Settlement Agreement A
“Chongqing Heyue Yingxu”	Chongqing Heyue Yingxu Project Management Co., Ltd.* (重慶合悅盈旭項目管理有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company which holds 51% equity interest of each of Chongqing Yayuan Henghui and Chongqing Yinghe Yiyuan
“Chongqing Heyue Yingyu”	Chongqing Heyue Yingyu Project Management Co., Ltd.* (重慶合悅盈裕項目管理有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company which holds approximately 0.1% interest of each of Chongqing Feidia and Chongqing Longsay, approximately 0.01% interest of Chongqing Minos and approximately 68.47% equity interest of Zhejiang Resources
“Chongqing Heyumei”	Chongqing Heyumei Commercial Information Consultancy Co., Ltd.* (重慶合裕美商務信息諮詢有限公司), a company established in the PRC with limited liability, being an indirect wholly-own subsidiary of the Company which holds approximately 0.1% interest of each of Chongqing Feidia and Chongqing Longsay, and approximately 0.12% interest of Chongqing Minos

“Chongqing Longsay”	Chongqing Longsay Information Technology Partnership (Limited Partnership)* (重慶朗賽信息科技合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability, being owned as to approximately 99.8% by Shiji Jiahe, and as to approximately 0.1% by each of Chongqing Heyumei and Chongqing Heyue Yingyu, and being the Vendor in respect of the Debt Settlement Agreement B
“Chongqing Minos”	Chongqing Minos Information Technology Partnership (Limited Partnership)* (重慶美諾思信息科技合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability, being owned as to approximately 99.87% by Shiji Jiahe, approximately 0.12% by Chongqing Heyumei and approximately 0.01% by Chongqing Heyue Yingyu, and being the Vendor in respect of the Debt Settlement Agreements C and D
“Chongqing Yayuan Henghui”	Chongqing Yayuan Henghui Information Technology Co., Ltd.* (重慶雅源恒輝信息技術有限公司), a company established in the PRC with limited liability, which is held as to 51% by Chongqing Heyue Yingxu, an indirect wholly-owned subsidiary of the Company, and as to 49% by Chongqing Feidia
“Chongqing Yingfeng”	Chongqing Yingfeng Real Estate Co., Ltd.* (重慶盈豐地產有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company, a creditor of BG Resources, and the Acquirer in respect of the Debt Settlement Agreement B
“Chongqing Yinghe Yiyuan”	Chongqing Yinghe Yiyuan Enterprise Management Co., Ltd.* (重慶盈合益遠企業管理有限公司), a company established in the PRC with limited liability, which is held as to 51% by Chongqing Heyue Yingxu, an indirect wholly-owned subsidiary of the Company, and as to 49% by Chongqing Longsay
“Chongqing Yuefeng”	Chongqing Yuefeng Real Estate Co., Ltd.* (重慶悅豐地產有限公司), a company established in the PRC with limited liability, being an indirect 70%-owned subsidiary of the Company, a creditor of BG Resources, and the Acquirer in respect of the Debt Settlement Agreement D

“Collateral Agreement A”	the collateral agreement dated 31 July 2022 entered into between Wuhan Jinxiang and Chongqing Feidia pursuant to which Wuhan Jinxiang agreed to accept the pledging of collateral by Chongqing Feidia of its 49% equity interest of Chongqing Yayuan Henghui to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Wuhan Jinxiang
“Collateral Agreement B”	the collateral agreement dated 31 July 2022 entered into between Chongqing Yingfeng and Chongqing Longsay pursuant to which Chongqing Yingfeng agreed to accept the pledging of collateral by Chongqing Longsay of its 49% equity interest of Chongqing Yinghe Yiyuan to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Chongqing Yingfeng
“Collateral Agreement C”	the collateral agreement dated 31 July 2022 entered into between Wuhan Tianhe Jincheng and Chongqing Minos pursuant to which Wuhan Tianhe Jincheng agreed to accept the pledging of collateral by Chongqing Minos of its approximately 20.59% equity interest of Zhejiang Resources to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Wuhan Tianhe Jincheng
“Collateral Agreement D”	the collateral agreement dated 31 July 2022 entered into between Chongqing Yuefeng and Chongqing Minos pursuant to which Chongqing Yuefeng agreed to accept the pledging of collateral by Chongqing Minos of its approximately 10.94% equity interest of Zhejiang Resources to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to Chongqing Yuefeng
“Collateral Agreements”	the Collateral Agreement A, the Collateral Agreement B, the Collateral Agreement C and the Collateral Agreement D
“Company”	Peking University Resources (Holdings) Company Limited (北大資源(控股)有限公司), an exempted company incorporated in Bermuda with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 618)
“Completion”	completion of the Debt Settlement Agreements in accordance with the terms and conditions therein

“Completion Date”	the date on which Completion is to take place in accordance with the terms and conditions of the Debt Settlement Agreements
“Conditions”	the conditions specified under the Debt Settlement Agreements as set out in the section headed “CONDITIONS PRECEDENT” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB2,308,245,000 in aggregate, subject to adjustments, agreed between the Acquirers and the Vendors attributable to the relevant equity interests of the Target Companies to be transferred by the Vendors to the Acquirers pursuant to the Debt Settlement Agreements and shall be settled by way of the off-setting against the outstanding debts and all accrued interest due from BG Resources
“Debt Settlement”	the debt settlement of outstanding debts and accrued interest owing by BG Resources to the respective Acquirers contemplated under the Debt Settlement Agreements
“Debt Settlement Agreement A”	the debt settlement agreement dated 9 January 2023 entered into between Wuhan Jinxiang, as the Acquirer, and Chongqing Feidia, as the Vendor, in respect of the Debt Settlement and the transfer of 49% equity interest of Chongqing Yayuan Henghui
“Debt Settlement Agreement B”	The debt settlement agreement dated 9 January 2023 entered into between Chongqing Yingfeng, as the Acquirer, and Chongqing Longsay, as the Vendor, in respect of the Debt Settlement and the transfer of 49% equity interest of Chongqing Yinghe Yiyuan
“Debt Settlement Agreement C”	The debt settlement agreement dated 9 January 2023 entered into between Wuhan Tianhe Jincheng, as the Acquirer, and Chongqing Minos, as the Vendor, in respect of the Debt Settlement and the transfer of approximately 20.59% equity interest of Zhejiang Resources

“Debt Settlement Agreement D”	The debt settlement agreement dated 9 January 2023 entered into between Chongqing Yuefeng, as the Acquirer, and Chongqing Minos, as the Vendor, in respect of the Debt Settlement and the transfer of approximately 10.94% equity interest of Zhejiang Resources
“Debt Settlement Agreement(s)”	the Debt Settlement Agreement A, the Debt Settlement Agreement B, the Debt Settlement Agreement C; and the Debt Settlement Agreement D
“Director(s)”	directors of the Company
“Enlarged Group”	the Company and its subsidiaries following Completion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HK Huzi”	Hong Kong Huzi Limited (香港琥諮有限公司), a company incorporated in Hong Kong with limited liability, being the ultimate holding company of the Vendors, and is beneficially wholly-owned by Huzi Shareholder, a Shareholder interested in 105,000,000 Shares, representing approximately 1.36% of the issued share capital of the Company as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huzi Group”	HK Huzi and its subsidiaries
“Huzi Shareholder”	Ms. Zhao Ge (趙軻), being the shareholder of HK Huzi as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the expiry date of a period of 6 months after the date of the Debt Settlement Agreements
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan

“Pledged Assets”	49% equity interest of Chongqing Yayuan Henghui, 49% equity interest of Chongqing Yinghe Yiyuan and 31.53% equity interest of Zhejiang Resources, being the Pledged Assets under the Previous Collateral Agreements and the Collateral Agreements
“Previous Collateral Agreements”	the collateral agreements entered into by relevant subsidiaries of the Huzi Group and the Group, pursuant to which relevant subsidiaries of the Huzi Group pledged their equity interests in the Target Companies, namely the Pledged Assets to secure the repayment of the outstanding debt and accrued interest owed by BG Resources to the Group
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, among other matters, the Debt Settlement Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Shiji Jiahe”	Wuhan Shiji Jiahe Technology Co., Ltd* (武漢世紀佳合科技有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of Wealth Elite and interested in approximately 99.8% equity interest of Chongqing Feidia and Chongqing Longsay, and approximately 99.87% equity interest of Chongqing Minos
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Chongqing Yayuan Henghui, Chongqing Yinghe Yiyuan and Zhejiang Resources
“Vendor(s)”	Chongqing Feidia, the Vendor in respect of the Debt Settlement Agreements A, Chongqing Longsay, the Vendor in respect of the Debt Settlement Agreement B, and Chongqing Minos, the Vendor in respect of the Debt Settlement Agreements C and D, together the Vendors

“Wealth Elite”	Wealth Elite Group Investment Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Oh Choon Gan, Eric, a third party independent of the Company and its connected persons (as defined under the Listing Rules), being the holding company of Shiji Jiahe
“Wealth Elite Group”	Wealth Elite and its subsidiaries
“Wuhan Jinxiang”	Wuhan Jinxiang Asset Management Co., Ltd.* (武漢錦祥資產管理有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company, a creditor of BG Resources, and the Acquirer in respect of the Debt Settlement Agreement A
“Wuhan Tianhe Jincheng”	Wuhan Tianhe Jincheng Real Estate Development Co., Ltd.* (武漢天合錦程房地產發展有限公司), a company established in the PRC with limited liability, being an indirect 70%-owned subsidiary of the Company, a creditor of BG Resources, and the Acquirer in respect of the Debt Settlement Agreement C
“Zhejiang Resources”	Zhejiang Peking University Resources Real Estate Co., Ltd.* (浙江北大資源地產有限公司), a company established in the PRC with limited liability, which is held as to approximately 68.47% by Chongqing Heyue Yingyu, an indirect wholly-owned subsidiary of the Company, and as to approximately 31.53% by Chongqing Minos
“%”	per cent.

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

Hong Kong, 9 January 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.*

\* For identification purposes only