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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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF THE EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITIONS

On 16 August 2023, the Group entered into an equity transfer agreement to purchase 55.5556% equity interest in the Target Company from the Seller at the consideration of RMB45,000,000, i.e. the Previous Acquisition.

On 1 November 2023 (after trading hours of the Stock Exchange), the Purchaser and the Seller entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to purchase and the Seller agreed to sell 44.4444% equity interest in the Target Company, being the Target Shares, for the consideration of RMB36,000,000, i.e. the Current Acquisition.

LISTING RULES IMPLICATIONS

Since the total assets, profits and revenue of the Target Group compared to that of the Group are less than 5% under the percentage ratios calculated with reference to Rule 14.07 of the Listing Rules for the year ended 31 December 2022, the Target Company is an insignificant subsidiary of the Company pursuant to Rule 14.09 of the Listing Rules. As such, although the Seller held 44.4444% equity interest in the Target Company prior to the Current Acquisition and was therefore a substantial shareholder of a subsidiary of the Company, the Seller is not a connected person of the Company and the Current Acquisition does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Previous Acquisition, on a standalone basis, is less than 5%, the Previous Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Since both the Previous Acquisition and the Current Acquisition were entered into with the Seller and involve the acquisition of the equity interest in the Target Company within a 12-month period, the Current Acquisition shall be aggregated with the Previous Acquisition pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Current Acquisition, when aggregated with the Previous Acquisition, exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE CURRENT ACQUISITION

The Board announces that, on 1 November 2023 (after trading hours of the Stock Exchange), the Purchaser and the Seller entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to purchase and the Seller agreed to sell 44.4444% equity interest in the Target Company, being the Target Shares, for the consideration of RMB36,000,000, i.e. the Current Acquisition.

THE EQUITY TRANSFER AGREEMENT

Date

1 November 2023 (after trading hours of the Stock Exchange)

Parties

The Purchaser and the Seller

Asset to be acquired

The Target Shares, being 44.4444% equity interest in the Target Company

Consideration

RMB36,000,000, which shall be paid by the Purchaser by bank transfer to the bank account designated by the Seller within thirty (30) working days after the signing of the Equity Transfer Agreement.

The consideration was determined after arm's length negotiation between the Purchaser and the Seller taking into account (i) the valuation of the Target Company as at 30 June 2023 of approximately RMB76.9 million as appraised by an independent valuer; and (ii) the overall financial performance, business operation and prospects of the Target Group.

It is currently expected that the consideration will be funded by internal resources of the Group.

Completion

Within fifteen (15) days after the signing of the Equity Transfer Agreement, the Seller shall proactively assist the Target Company in passing the necessary resolutions and completing the signing of the necessary documents, and to cooperate with the Target Company in completing the registration procedures in relation to the transfer of Target Shares.

The completion of the Acquisition shall take place on the date on which the Target Shares are registered under the name of the Purchaser, the Target Company obtains an updated business licence issued by the relevant administrative authorities, or the consideration is paid in full by the Purchaser to the bank account designated by the Seller, whichever the later.

THE PREVIOUS ACQUISITION

On 16 August 2023, the Group entered into an equity transfer agreement to purchase 55.5556% equity interest in the Target Company from the Seller at the consideration of RMB45,000,000, which was determined after arm's length negotiation between the Group and the Seller taking into account (i) the valuation of the Target Company as at 30 June 2023 of approximately RMB76.9 million as appraised by an independent valuer; and (ii) the overall financial performance, business operation and prospects of the Target Group.

The consideration was funded by internal resources of the Group and was settled on 21 August 2023. The completion of the Previous Acquisition took place on 28 August 2023. After the completion of the Previous Acquisition, the Target Company became an indirect non-wholly owned subsidiary of the Company and its financial information was consolidated into the consolidated financial information of the Group.

INFORMATION OF THE PARTIES

The Company, the Group and the Purchaser

The Company is an exempted company incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 00618). The Group is principally engaged in e-commerce and distribution of information products, property development as well as property investment and management in the PRC.

The Purchaser is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Seller

The Seller is a limited partnership established in the PRC and is principally engaged in investment holding. It is owned by Suzhou Lihe Yuxin Technology Development Co., Ltd* (蘇州力合裕欣科技發展有限公司) (“**Suzhou Lihe**”), Wuhan Taizerong Technology Development Co., Ltd* (武漢泰澤榮科技發展有限公司) (“**Wuhan Taizerong**”) and Suzhou Aoze Private Equity Fund Management Co., Ltd* (蘇州遨澤私募基金管理有限公司) as to 59.2593%, 37.0370% and 3.7037%, respectively.

Suzhou Lihe is ultimately owned by Ye Bin (葉彬) and Cao Xin (曹昕) as to 50% and 50%, respectively, both of whom are individuals with extensive experience in investment in capital market.

Wuhan Taizerong is ultimately owned by Kang Wei (亢偉) and Liu Jianju (劉建菊) as to 60% and 40%, respectively, both of whom are investors with extensive experience in property development.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Target Group

The Target Company is a company established in the PRC with limited liability on 10 February 2002 and is principally engaged in the operation of retail pharmacies in the PRC.

The Target Company operates its retail pharmacies in the PRC under the domestically and internationally reputable brand name of “Yekaitai (葉開泰)”, continuing the tradition and ancient motto of “Dedication comes from the heart that no one else can see”. The brand name of Yekaitai has a history of nearly 400 years and is widely regarded as one of the four major pharmacy brand names in the PRC, along with “Beijing Tongrentang (北京同仁堂)”, “Hangzhou Huqingyutang (杭州胡慶餘堂)” and “Guangzhou Chan Li Chai (廣州陳李濟)”. Yekaitai was recognised by the Ministry of Domestic Trade (國內貿易部) (now the Ministry of Commerce (商務部)) of the PRC as a “China Time-honored Brand (中華老字號)” in 1994. The Target Company was awarded the title of “Wuhan City Famous Trademark (武漢市著名商標)” by the Wuhan Municipal Government in 2014 and is influential and reputable in Wuhan City, the PRC.

As at the date of this announcement, the Target Group has 254 employees and 63 licensed pharmacists. The Target Group operates 56 chain stores and two Chinese medicine clinics located in nine administrative regions in Wuhan, the PRC. The Target Group has also established an online pharmacy.

The Target Group provides traditional Chinese medicine diagnosis and treatment, traditional Chinese medicine health care, massage, acupuncture and other special medical services. The Target Group utilises information technology to carry out such services as online remote prescription review, medication guidance, customized health management plans and medical big data query. Through developing online multi-channel marketing such as B2C and O2O, the Target Group is reforming its retail pharmacies and endeavours to becoming an integrated platform for Chinese and Western medicine resources.

The unaudited consolidated financial information of the Target Group for the two years ended 31 December 2022 and the six months ended 30 June 2023 are set out below:

	For the year ended		For the
	31 December		six months
	2021	2022	ended
	<i>RMB'000</i>	<i>RMB'000</i>	30 June
	(Unaudited)	(Unaudited)	2023
			<i>RMB'000</i>
			(Unaudited)
Revenue	95,089	106,616	57,201
Net profit before taxation (<i>Note</i>)	3,634	10,576	4,795
Net profit after taxation (<i>Note</i>)	3,634	10,576	4,795

Note: the net profit before and after tax are the same as no tax expenses were incurred by the Target Group during the relevant periods.

	As at 31 December		As at 30 June
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Total assets	173,068	199,944	125,892
Net assets	54,657	65,233	70,029

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

In the first half of 2023, the slow recovery of the PRC economy and uncertainties such as global geopolitical conflicts and trade sanctions continue to affect consumer confidence and the real estate industry, and the Group remains cautious as to the industry prospect in the second half of 2023.

In order to achieve the Group's strategic objective of sustainable development, it has been actively looking for new business opportunities and will gradually invest resources to develop new businesses with a view to create new sources of income and diversify its revenue streams. In particular, the management of the Company is of the view that the retail pharmacies market in the PRC has great potential and room for development and the Acquisitions enable the Group to expand our business into pharmaceutical retail market. The Board is confident in the future development of the Group and believes that by continuously expanding its business and improving its overall strength, the Group will create sustainable and solid value growth for its shareholders.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Acquisitions are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Acquisitions”	the Previous Acquisition and the Current Acquisition
“Board”	the board of Directors
“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 its Shares are listed on the Main Board of the Stock Exchange (stock code: 00618)
“Current Acquisition”	the acquisition of the Target Shares pursuant to the terms and condition of the Equity Transfer Agreement
“Directors”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Purchaser and the Seller in respect of the Current Acquisition
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Acquisition”	the acquisition of 55.5556% equity interest in the Target Company from the Seller by the Group
“Purchaser”	Beijing Deyuehe Project Management Co., Ltd.* (北京德悅合項目管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Suzhou Aoze Pharmaceutical Investment Partnership (Limited Partnership)* (蘇州遨澤醫藥投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wuhan Yekaitai Pharmaceutical Chain Co., Ltd.* (武漢葉開泰藥業連鎖有限公司), a company established in the PRC with limited liability
“Target Group”	the Target Company and its four subsidiaries
“Target Shares”	44.4444% equity interest in the Target Company
“%”	per cent

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

Hong Kong, 1 November 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. Hou Ruilin; and the independent non-executive Directors of Mr. Chin Chi Ho, Stanley, Mr. Chung Wai Man and Mr. Hua Yichun.

* *For identification purposes only*