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HONG KONG RESOURCES HOLDINGS COMPANY LIMITED
香港資源控股有限公司

*(Incorporated in Bermuda with limited liability
and carrying on business in Hong Kong as HKRH China Limited)*
(Stock code: 2882)

**DISCLOSEABLE AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL
IN RESPECT OF THE PRC TENANCY AGREEMENTS**

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The Board announces that on 24 February 2023, various subsidiaries of CGS and various subsidiaries of Luk Fook Holdings entered into the PRC Tenancy Agreements in respect of the lease of the PRC Premises at the aggregate monthly rent of RMB537,636.60 (equivalent to approximately HK\$623,700).

Listing Rules implications

As the PRC Premises under the PRC Tenancy Agreements are located in the same building, and the PRC Tenancy Agreements were entered into with the Luk Fook Group, the transactions contemplated under the PRC Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 14 of the Listing Rules. Pursuant to HKFRS 16, the entering into of the PRC Tenancy Agreements will require the Group to recognise the PRC Premises as the right-of-use assets on its balance sheet, thus the entering into of the PRC Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the PRC Tenancy Agreements and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 14 of the Listing Rules.

CGS is a subsidiary of the Company, and is owned as to 50% by the Company and 50% by Luk Fook 3DM, being an indirect wholly-owned subsidiary of Luk Fook Holdings. As (i) each of Chongqing Fu-yao and Chongqing Yu-su is an indirectly wholly-owned subsidiary of Luk Fook Holdings; and (ii) Mr. Wong Ho Lung Danny is an executive director of CGS and one of the discretionary beneficiaries of the Wong's family trust which indirectly owns 100% of Chongqing Jian-yi and 92% of Chongqing Bo-yuan; thus each of Chongqing Fu-yao, Chongqing Yu-su, Chongqing Jian-yi and Chongqing Bo-yuan, is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the PRC Tenancy Agreements constitute a connected transaction at subsidiary level of the Company under Chapter 14A of the Listing Rules.

As (i) each of Chongqing Fu-yao, Chongqing Yu-su, Chongqing Jian-yi and Chongqing Bo-yuan is a connected person at the subsidiary level of the Company; (ii) the transactions contemplated under the PRC Tenancy Agreements are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) has approved the transactions contemplated under PRC Tenancy Agreements and confirmed that the terms of the PRC Tenancy Agreements are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, according to Rule 14A.101 of the Listing Rules, the transactions contemplated under the PRC Tenancy Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements.

The Board announces on 24 February 2023 various subsidiaries of CGS and various subsidiaries of Luk Fook Holdings entered into the PRC Tenancy Agreements in respect of the lease of the PRC Premises at the aggregate monthly rent of RMB537,636.60 (equivalent to approximately HK\$623,700).

The principal terms of the PRC Tenancy Agreements are set out below:

1. Tenant: 3D-Gold (Shenzhen) Co., Ltd.* (至尊金業(深圳)有限公司)

Date:	24 February 2023	
Landlord:	Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司)	Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司)
PRC Premise:	Units 1701-1706, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC	Units 1707-1712, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC
Lettable area (sq. m.):	899.8	888.61
Term:	18 months from 1 January 2023 to 30 June 2024	18 months from 1 January 2023 to 30 June 2024
Usage:	For use as office	For use as office
Monthly Rent:	RMB161,964.00	RMB159,949.80
Deposit:	RMB323,928.00	RMB319,899.60

2. Tenant: Chongqing 3D-Gold Jewellery Design Co., Ltd.* (重慶金至尊飾品設計有限公司)

Date:	24 February 2023	24 February 2023
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司)	Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶)有限公司)
PRC Premise:	Partial unit 1807B, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC	Units 1808-1809, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC
Lettable area (sq. m.):	140.45	296.14
Term:	18 months from 1 January 2023 to 30 June 2024	18 months from 1 January 2023 to 30 June 2024
Usage:	For use as office	For use as office
Monthly Rent:	RMB25,281.00	RMB53,305.20
Deposit:	RMB50,562.00	RMB106,610.40

3. Tenant: Zun Fu Jewellery (Chongqing) Co., Ltd.* (尊福珠寶(重慶)有限公司)

Date:	24 February 2023
Landlord:	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司)
PRC Premise:	Units 1802-06 & 1807A, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC
Lettable area (sq. m.):	761.87
Term:	18 months from 1 January 2023 to 30 June 2024
Usage:	For use as office
Monthly Rent:	RMB137,136.60
Deposit:	RMB274,273.20

The above monthly rent (excluding management service fees and other outgoing charges and expenses) is calculated based on the monthly rate of RMB180 per sq. m. The negotiation of the terms of the PRC Tenancy Agreements was conducted by the parties on an arm's length basis and each of the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage.

The rent payable by the Company for the premises is expected to be financed by internal resources of the Group.

Expiry of certain existing tenancy agreements and termination of certain existing tenancy agreements

As disclosed in the announcement of the Company dated 15 November 2021, the PRC Premises are currently rented and occupied by 3D-Gold (Shenzhen) for office use. The existing tenancy agreements in respect of the PRC Premises located on 17/F have expired on 31 December 2022. In order to align the term of the PRC Tenancy Agreements, the parties to the tenancy agreements of partial unit 1807B and units 1808-1809 respectively agreed to terminate the two tenancy agreements and enter into new tenancy agreements while the rent of these premises remain unchanged.

Reason for and benefits of the entering into of the PRC Tenancy Agreements

As stated above, 3D-Gold (Shenzhen) is currently occupying several units located on the 17/F and 18/F of the PRC Premises for its business and some of the leases of which had expired on 31 December 2022. Therefore, the CGS Group has an imminent need to renew the tenancy of the PRC Premises or seek other premises for continuance of its business. In evaluating the options of renewal of tenancy of the PRC Premises or leasing a new location, it is considered that the PRC Premises is located in an area where the CGS Group has been familiar with, as the CGS Group had been occupying the 17/F and 18/F of the PRC Premises. Further, as the existing office space is not sufficient for the business development of the Group, the Group is in need of additional office space. Hence, the Group also leased units 1802-06 & 1807A which forms part of the PRC premises for office use. The Directors considered that it is in the benefit of the Group to have new office adjacent to the existing office premises so that all resources could be consolidated which could enhance the efficient when compared with the scattered office location.

Having reviewed the connected transactions at the subsidiary level, the Board (including the independent non-executive Directors) is of the view that the transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and confirmed that the terms of the transaction were fair and reasonable and in the interest of the Company and the Shareholders as a whole.

As none of the Directors has a material interest in the PRC Tenancy Agreement, none of the Directors is required to abstain from voting on the Board resolution for approving the PRC Tenancy Agreement.

Listing Rules implications

As the PRC Premises under the PRC Tenancy Agreements are located in the same building, and the PRC Tenancy Agreements were entered into with the Luk Fook Group, the transactions contemplated under the PRC Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 14 of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the PRC Tenancy Agreements will require the Group to recognise the PRC Premises as the right-of-use assets on its balance sheet, thus the entering into of the PRC Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the PRC Tenancy Agreements and the transaction contemplated thereunder constitute a disclosable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 14 of the Listing Rules.

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As (i) each of of Chongqing Fu-yao, Chongqing Yu-su, Chongqing Jian-yi and Chongqing Bo-yuan is a connected person at the subsidiary level of the Company; (ii) the transactions contemplated under the PRC Tenancy Agreements are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) has approved the transactions contemplated under PRC Tenancy Agreements and confirmed that the terms of the PRC Tenancy Agreements are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, according to Rule 14A.101 of the Listing Rules, the transactions contemplated under the PRC Tenancy Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“3D-Gold Chongqing”	Chongqing 3D-Gold Jewellery Design Co. Ltd.* (重慶金至尊飾品設計有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of CGS
“3D-Gold Shenzhen”	3D-Gold (Shenzhen) Co., Ltd.* (至尊金業(深圳)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CGS
“Board”	the board of Directors

“CGS”	China Gold Silver Group Company Limited (中國金銀集團有限公司), a company incorporated in the British Virgin Islands with limited liability and a subsidiary of the Company, which is owned as to 50% by the Company and 50% by Luk Fook 3DM
“CGS Group”	CGS and its subsidiaries
“Chongqing Bo-yuan”	Bo Yuan GS Software (Chongqing) Co., Ltd.* (博遠金星軟件(重慶)有限公司), a company established in the PRC with limited liability and indirectly owned as to 92% by the Wong’s family trust, of which Mr. Wong Ho Lung Danny together with others, are discretionary beneficiaries
“Chongqing Fu-yao”	Chongqing Fu Yao Trading Co., Ltd.* (重慶市福邀貿易有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Chongqing Jian-yi”	Jian Yi Property Management (Chongqing) Co., Ltd.* (建益物業管理(重慶)有限公司), a company established in the PRC with limited liability and indirectly owned as to 100% by the Wong’s family trust, of which Mr. Wong Ho Lung Danny together with others, are discretionary beneficiaries
“Chongqing Yu-su”	Chongqing Yu Su Trading Co., Ltd.* (重慶市聿宿貿易有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Company”	Hong Kong Resources Holdings Company Limited (香港資源控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2882)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS 16”	the “Hong Kong Financial Reporting Standard 16 – Leases” issued by the Hong Kong Institute of Certified Public Accountants, sets out the principles for the recognition, measurement, presentation and disclosure of lease
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Luk Fook 3DM”	Luk Fook 3D Management Company Limited (六福3D 管理有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Luk Fook Holdings
“Luk Fook Group”	Luk Fook Holdings and its subsidiaries
“Luk Fook Holdings”	Luk Fook Holdings (International) Limited (六福集團(國際)有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0590)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“PRC Premises”	Units 1701-1712 and 1802-1809, Block B, IBC, Buxin St 3008, Luohu District, Shenzhen, PRC
“PRC Tenancy Agreements”	five tenancy agreements all dated 24 February 2023 and entered into between various subsidiaries of Luk Fook Holdings as landlords and the Group’s subsidiaries, namely 3D Gold Chongqing, 3D Gold Shenzhen and ZF Chongqing, as tenants for the lease of the PRC Premises
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZF Chongqing”	Zun Fu Jewellery (Chongqing) Co., Ltd.* (尊福珠寶(重慶)有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of CGS
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Hong Kong Resources Holdings Company Limited
Li Ning
Chairman

Hong Kong, 24 February 2023

* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names and words.*

For the purposes of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1.00 = HK\$1.16. Such translation should not be constructed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

As at the date of this announcement, the Board comprises Mr. Li Ning (Chairman) and Mr. Wang Chaoguang (Co-chairman) as executive Directors; Mr. Hu Hongwei as non-executive Director; and Dr. Loke Yu alias Loke Hoi Lam, Dr. Fan, Anthony Ren Da and Mr. Chan Kim Sun as independent nonexecutive Directors.