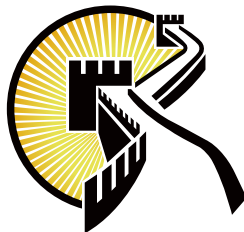


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## **PERSISTENCE RESOURCES GROUP LTD**

**集海資源集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2489)**

### **CHANGE IN USE OF THE NET PROCEEDS FROM GLOBAL OFFERING**

References is made to (i) the prospectus of Persistence Resources Group Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 December 2023 in relation to the Global Offering (the “**Prospectus**”); (ii) the announcement dated 25 March 2024 in relation to, among other things, delay in the expected timeline for utilising the net proceeds from Global Offering (the “**Net Proceeds**”); and (iii) the 2023 annual report of the Company dated 28 March 2024 (the “**Annual Report**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the Annual Report.

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company hereby announces that after careful consideration and detailed evaluation of the Group’s operations and business strategy, the Board has resolved to change the use of the unutilised portion of the Net Proceeds (the “**Revised Allocation**”) in the manner as set out below.

### **CHANGE IN USE OF UNUTILISED NET PROCEEDS FROM GLOBAL OFFERING**

The original intended purposes and uses of the Net Proceeds, which amounted to approximately HK\$218.3 million, were disclosed in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus, and further updated in the section headed “Management Discussion and Analysis – Use of Proceeds from Global Offering” in the Annual Report.

As at 30 June 2024, the Group has utilised approximately HK\$24.9 million of the Net Proceeds and the unutilised portion of the Net Proceeds amounted to approximately HK\$193.4 million (the “**Unutilised Net Proceeds**”). The original and the Revised Allocation of the Net Proceeds are as follows:

Business objective as stated in the Prospectus	% of the Net Proceeds	Net Proceeds and utilisation				Expected timeline for utilisation
		Actual amount available for utilisation	Utilised amount as of 30 June 2024	Unutilised Net Proceeds as of 30 June 2024	Revised Allocation	
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	
Further construction of mining infrastructure in accordance with the mine optimisation plan of the Group	20.4%	44.5	15.3	29.2	29.2	By June 2025
Upgrade gold reserves to increase LoM through additional exploration activities at the existing mine area of the Group	2.0%	4.4	0	4.4	4.4	By December 2024
Expand the business of the Group through selective acquisitions of gold mining assets	55.0%	120.1	0	120.1	147.6	By February 2025
Repayment of existing bank loans guarantees	12.6%	27.5	0	27.5	Reallocated to acquisitions	N/A
Working Capital	10.0%	21.8	9.6	12.2	12.2	By December 2025
Total	100.0%	<u>218.3</u>	<u>24.9</u>	<u>193.4</u>	<u>193.4</u>	

*Note:* The portion initially allocated for repayment of existing bank loans guarantees is reallocated to the expansion of the business of the Group through selective acquisitions of gold mining assets. Other than that, the Group has no other changes to the use of the Unutilised Net Proceeds.

On the basis of the change in use of Unutilised Net Proceeds as set out in the table above, the Company currently expects to fully utilise the Unutilised Net Proceeds by 31 December 2025. The expected timeline for utilising the Unutilised Net Proceeds is based on the best estimation of the commercial market situations made by the Board. It might be subject to changes based on the market conditions.

## REASONS FOR THE CHANGE IN USE OF PROCEEDS

As originally disclosed in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus, approximately 12.6% of the Net Proceeds was allocated to repay certain borrowings of the Group from Huaxia Bank Co., Ltd. Yantai Branch (the “**Original Repayment Plan**”).

However, pursuant to the recent regulatory updates from the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) or its local branch (the “SAFE”), the whole application process of the Original Repayment Plan has been significantly extended. As such, the Board has resolved to (i) use internal PRC-based fund of the Group for the repayment of existing bank loans, in order to comply with the repayment schedule of such existing bank loans; and (ii) reallocate the whole portion of the Unutilised Net Proceeds which is originally intended for loan repayment to the expansion of the business of the Group through selective acquisitions of gold mining assets, resulting an increase of such portion from approximately HK\$120.1 million to approximately HK\$147.6 million.

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board believes that the above change in the use of the Unutilised Net Proceeds will not have any material adverse impact on the operations of the Group, and such change will allow the Company to deploy its financial resources more efficiently and enhance the business performance of the Group in the long run. As such, the Board (including independent non-executive Directors) is of the view that the above change in the use of the Unutilised Net Proceeds is in the best interests of the Company and its shareholders as a whole. Save as disclosed in this announcement, the Group has no other changes to the plan for utilising the remaining net proceeds from Global Offering.

By order of the Board

**Persistence Resources Group Ltd**

**Shao Xuxin**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 23 August 2024

*As at the date of this announcement, the Board comprises Dr. Shao Xuxin, Mr. Mackie James Thomas, Mr. Lo Cheuk Kwong Raymond and Mr. Chen Shaohui as executive Directors; Mr. Chen Li Bei as non-executive Director; and Dr. Malaihollo Jeffrey Francis A, Mr. Chan Ngai Fan, Dr. Zeng Ming and Ms. Liu Li as independent non-executive Directors.*