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**北大資源**  
**PKU RESOURCES**

**Peking University Resources (Holdings) Company Limited**

**北大資源（控股）有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 00618)

**(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION**  
**(2) CONTINUING CONNECTED TRANSACTIONS AND**  
**(3) RESUMPTION OF TRADING IN THE SHARES**

**Financial adviser to the Company**



**VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION**

The Board is pleased to announce that on 16 September 2014, the Purchasers and the Vendors, together with other Guarantors, entered into the S&P Agreement, pursuant to which the Purchasers have conditionally agreed to purchase the Sale Shares from the Vendors for a total consideration of HK\$1,934 million, including HK\$1,361 million for the Offshore Acquisition and HK\$573 million for the Onshore Acquisition, which will be satisfied by a combination of the Company's internal cash, the issuance of Consideration Shares to Founder Information and all or part of the cash proceeds from the issuance of Placement Shares.

As at the date of this announcement, the identities of places and other major terms of the issuance of Placement Shares have not yet been determined, and while the issuance of Placement Shares is expected to be offered to Independent Third Parties, there is a possibility that our controlling shareholders and/or their associate(s) may decide to participate in such issuance. In the event that our controlling shareholders and/or their associate(s) may decide to participate in the issuance, the Company will fully comply with the relevant requirements as set out in Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules.

The Company will publish an announcement in accordance with the requirements under the Listing Rules, on or before the despatch of the corresponding circular, which will contain, among other things, further details of the issuance of the Consideration Shares and Placement Shares including the number of each of the Consideration Shares and Placement Shares to be issued and the Issue Price. The issuance of the Consideration Shares and Placement Shares will not cause the Company not to comply with the minimum public float requirement under the Listing Rules. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Placement Shares. The Consideration Shares and the Placement Shares shall be allotted and issued pursuant to a specific mandate proposed to be obtained at the SGM and shall rank pari passu with the Shares in issue. Further details of the terms on which the specific mandate is to be sought will be set out in the circular in relation to, among others, the Acquisition, to be despatched on or before 9 October 2014.

Through the Acquisition, the Purchasers will acquire the interests of Extol, Keen Delight, Chongqing Resources, Chengdu Resources, Guiyang Resources and Qingdao Resources and their respective subsidiaries, which own and operate 12 property development projects in Chongqing, Changsha, Foshan, Chengdu, Guiyang, Qingdao and Wuhan.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, each of Fine Noble and PKU Property is an associate of Peking Founder, by virtue of Peking Founder indirectly being interested so as to exercise or control the exercise of more than 30% of each of their respective voting power. As Peking Founder is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the Acquisition, the transactions contemplated under the S&P Agreement and the allotment and issue of the Consideration Shares also constitute non-exempt connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to approval by the Independent Shareholders at the SGM. Those who are involved in or interested in the Acquisition will abstain from voting at the SGM in respect of the resolutions approving the Acquisition, the transactions contemplated under the S&P Agreement and the allotment and issue of the Consideration Shares.

#### **CONTINUING CONNECTED TRANSACTIONS: MASTER TRADEMARK LICENSING AGREEMENT**

On 16 September 2014, the Company entered into the Master Trademark Licensing Agreement with PKU Resources Group pursuant to which the Group is authorised to use the brand name of PKU Resources Group in each of their respective property projects.

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Trademark Licensing Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Trademark Licensing Agreement, on an annual basis, exceeds 0.1% but less than 5%, the transactions contemplated under the Master Trademark Licensing Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

### **CONTINUING CONNECTED TRANSACTIONS: MASTER PROPERTY MANAGEMENT SERVICE AGREEMENT**

On 16 September 2014, the Company entered into the Master Property Management Service Agreement with PKU Resources Group pursuant to which PKU Resources Group and its associates agree to provide property management services to the Group.

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Property Management Service Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Property Management Service Agreement, on an annual basis, exceeds 0.1% but less than 5%, the transactions contemplated under the Master Property Management Service Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

## **CONTINUING CONNECTED TRANSACTIONS: MASTER LANDSCAPE CONSTRUCTION AGREEMENT**

On 16 September 2014, the Company entered into the Master Landscape Construction Agreement with PKU Resources Group pursuant to which PKU Resources Group and its associates agree to manage landscape construction for the property projects of the Group.

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Landscape Construction Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Landscape Construction Agreement, on an annual basis, exceeds 0.1% but less than 5%, the transactions contemplated under the Master Landscape Construction Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

## **CONTINUING CONNECTED TRANSACTIONS: MASTER LOAN AGREEMENT**

On 16 September 2014, the Company entered into the Master Loan Agreement with PKU Resources Group pursuant to which the Group can borrow loans from PKU Resources Group, its associates and independent financial institutions designated by PKU Resources Group and its associates to fund their property projects.

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Loan Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the higher applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Loan Agreement exceeds 5%, the transactions contemplated under the Master Loan Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Those Shareholders who are involved in or interested in the transactions contemplated under the Master Loan Agreement will abstain from voting at the SGM in respect of the resolutions approving the Master Loan Agreement.

## **GENERAL**

The Consideration Shares and the Placement Shares will be allotted and issued pursuant to a specific mandate proposed to be obtained at the SGM and shall rank pari passu with the Shares in issue. Further details of the terms on which the specific mandate is to be sought will be set out in the circular in relation to, among others, the Acquisition to be despatched in due cause.

An Independent Board Committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Acquisition and the Master Loan Agreement. The Company, with the approval of the Independent Board Committee, has appointed Octal Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Acquisition and the Master Loan Agreement in accordance with the Listing Rules.

A circular containing, among other things, particulars of the Acquisition, the allotment and issue of the Consideration Shares and the Placement Shares and the Master Loan Agreement, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and notice convening the SGM is expected to be despatched to the Shareholders on or before 9 October 2014.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 4 September 2014 pending the release of this announcement.

Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 September 2014.

## **WARNING**

**The Company will despatch a circular in accordance with the requirements under the Listing Rules, which will contain, among other things, further details of the Acquisition, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to, among others, the Acquisition and financial information of the Acquired Group.**

**The Acquisition is subject to a number of conditions including Independent Shareholders' approval, which may or may not be fulfilled. SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES OF THE COMPANY.**

## 1. VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION

The Board is pleased to announce that on 16 September 2014, the Purchasers and the Vendors, together with other Guarantors, entered into the S&P Agreement, pursuant to which the Purchasers have conditionally agreed to purchase the Sale Shares from the Vendors for a total consideration of HK\$1,934 million, including HK\$1,361 million for the Offshore Acquisition and HK\$573 million for the Onshore Acquisition, which will be satisfied by a combination of the Company's internal cash, the issuance of Consideration Shares to Founder Information and all or part of the cash proceeds from the issuance of Placement Shares.

As at the date of this announcement, the identities of placees and other major terms of the issuance of Placement Shares have not yet been determined, and while the issuance of Placement Shares is expected to be offered to Independent Third Parties, there is a possibility that our controlling shareholders and/or their associate(s) may decide to participate in such issuance. In the event that our controlling shareholders and/or their associate(s) may decide to participate in the issuance, the Company will fully comply with the relevant requirements as set out in Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules.

### **The S&P Agreement**

#### **Date**

16 September 2014

#### **Parties**

Purchasers : The Company, Beijing Tianranju

Vendors : Fine Noble, PKU Property

Guarantors : The Vendors, Peking Founder, Founder Information, Starry Realm, PKU Resources Group and PKU Resources Holdings

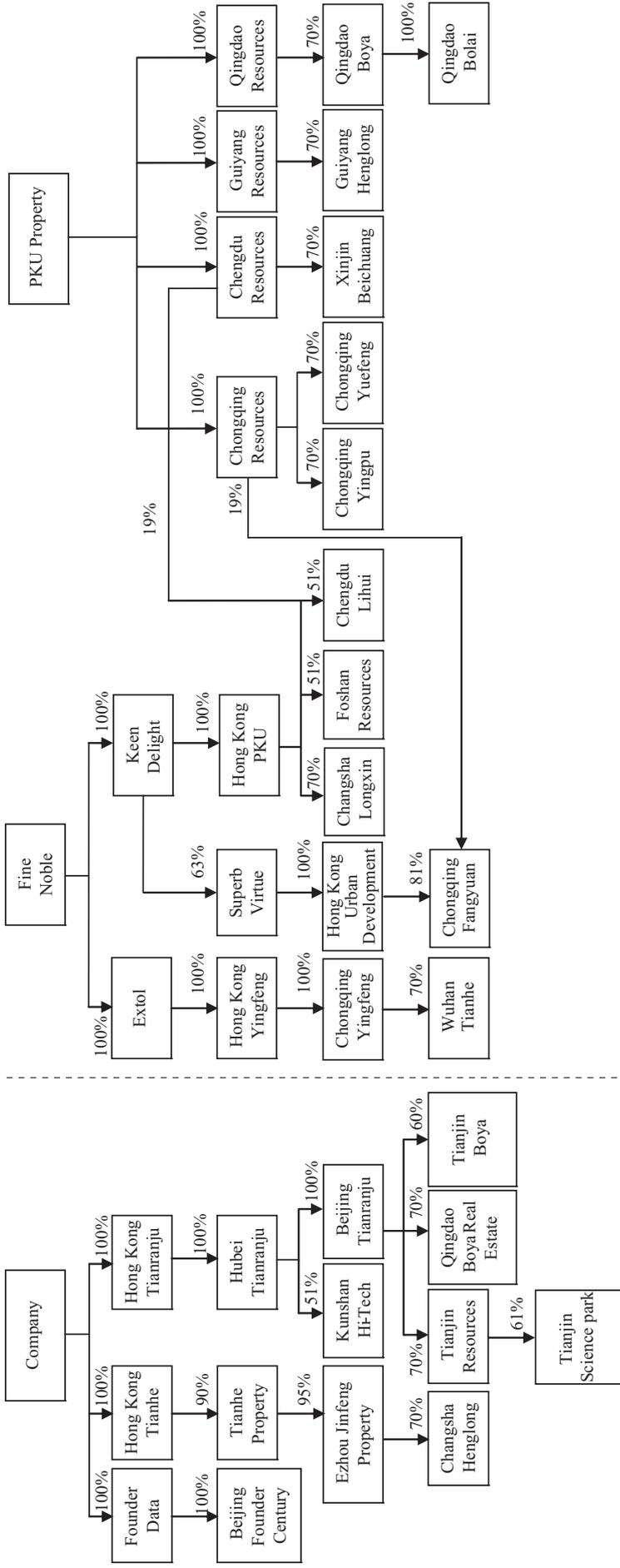
### **Assets to be acquired**

The Sale Shares represent (i) 100% of the issued shares in Extol and Keen Delight legally and beneficially owned by Fine Noble; and (ii) 100% of the issued shares in Chongqing Resources, Chengdu Resources, Guiyang Resources and Qingdao Resources legally and beneficially owned by PKU Property.

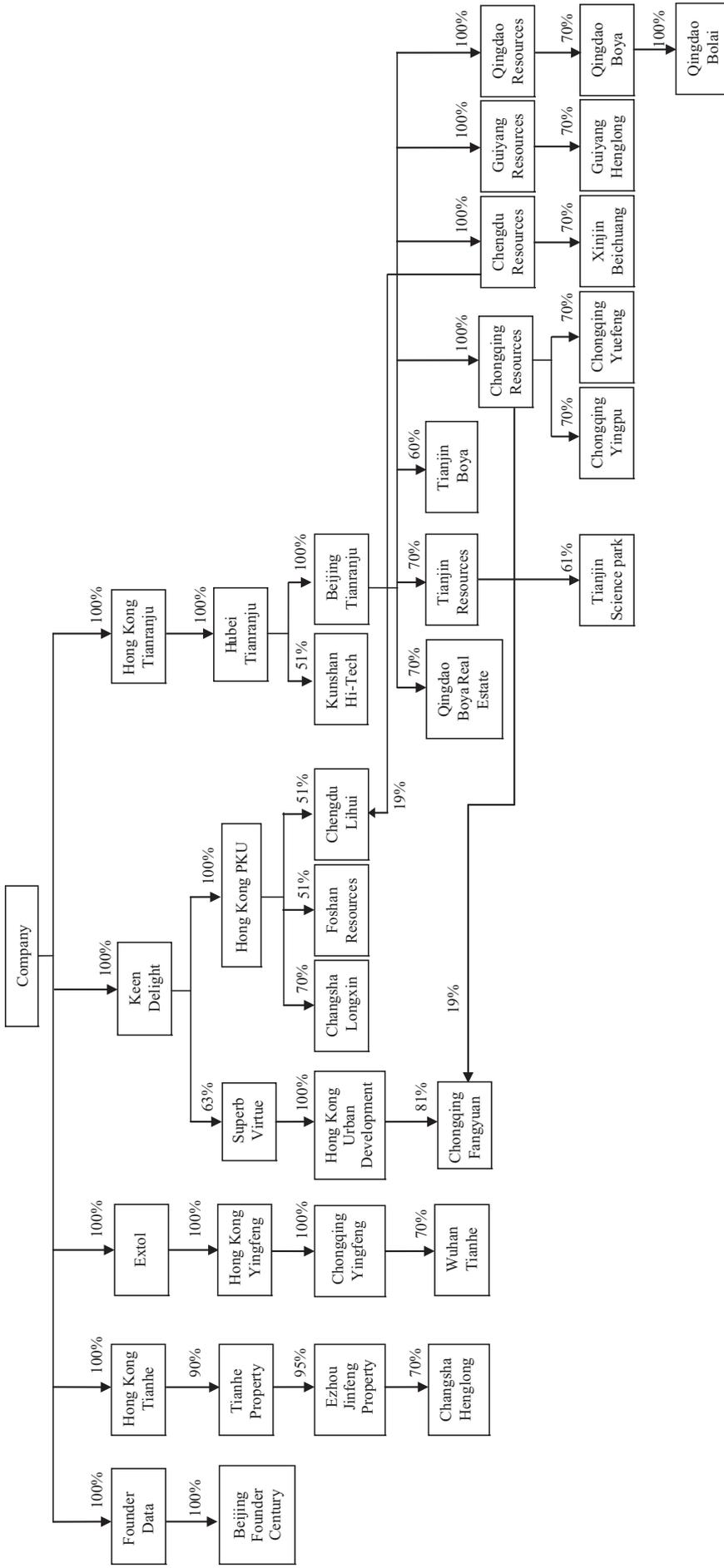
Extol is directly interested in 100% of the equity interests in Hong Kong Yingfeng, which in turns is interested in 100% of the equity interests in Chongqing Yingfeng. Chongqing Yingfeng is in turns interested in 70% of the equity interests in Wuhan Tianhe. Keen Delight is directly interested in (i) 63% of the equity interests in Superb Virtue and (ii) 100% of the equity interests in Hong Kong PKU. Superb Virtue is in turns interested in 100% of the equity interests in Hong Kong Urban Development, which in turns holds 81% of the equity interests in Chongqing Fangyuan. Hong Kong PKU is in turns interested in (i) 70% of the equity interests in Changsha Longxin, (ii)

51% of the equity interests in Foshan Resources, and (iii) 51% of the equity interests in Chengdu Lihui. Chongqing Resources is directly interested in (i) 19% of the equity interests in Chongqing Fangyuan, (ii) 70% of the equity interests in Chongqing Yingpu, and (iii) 70% of the equity interests in Chongqing Yuefeng. Chengdu Resources is directly interested in (i) 19% of the equity interests in Chengdu Lihui and (ii) 70% of the equity interests in Xinjin Beichuang. Guiyang Resources is directly interested in 70% of the equity interests in Guiyang Henglong. Qingdao Resources is directly interested in 70% of the equity interests in Qingdao Boya, which in turns is interested in 100% of the equity interests in Qingdao Bolai.

Set out below are the charts showing the structure of the Group and the Acquired Group immediately prior to the Completion:



Set out below is the chart showing the structure of the Enlarged Group upon the Completion:



## **Consideration**

The total consideration for the Acquisition is HK\$1,934 million, including HK\$1,361 million for the Offshore Acquisition and HK\$573 million for the Onshore Acquisition.

Payment of the Consideration will be made through a combination of the Company's internal cash, the issuance of Consideration Shares to Founder Information and all or part of the cash proceeds from the issuance of Placement Shares.

As at the date of this announcement, the identities of placees and other major terms of the issuance of Placement Shares have not yet been determined, and while the issuance of Placement Shares is expected to be offered to Independent Third Parties, there is a possibility that our controlling shareholders and/or their associate(s) may decide to participate in such issuance. In the event that our controlling shareholders and/or their associate(s) may decide to participate in the issuance, the Company will fully comply with the relevant requirements as set out in Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules.

The consideration was determined among the parties after arm's length negotiations and taking into consideration, among other things, the consolidated net asset values of the Acquired Group after being adjusted for, among other things, the capital contribution of Fine Noble of RMB869,999,988 as one of the conditions precedents for the Acquisition and the increase in fair value of the property projects as at 31 July 2014. As the property projects were carried at historical cost in the financial statements of the Acquired Group and therefore, did not truly reflect the current market value of the property projects, adjustment would need to be made in respect of the increase in the fair value of those property projects. The valuation of the Acquired Group is performed by an independent valuer, its valuation report and the corresponding adjustments made will be disclosed in the circular to be despatched by the Company.

## **Conditions precedent**

Completion shall be conditional upon the fulfillment of the following conditions:

- a) the approval by the Independent Shareholders of all necessary resolutions at the SGM;
- b) the listing committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares and the Placement Shares;
- c) the placing of the Placement Shares having become unconditional;
- d) the Offshore Acquisition and the Onshore Acquisition are inter-conditional;
- e) the assessment confirmed by the Ministry of Education of the PRC in relation to the acquired equity interests in the PRC companies;
- f) the Accounts of the Acquired Group have been procured;
- g) the warranties in the S&P Agreement remaining true, accurate and complete in all respects and not misleading in any respect as at Completion;
- h) the Company being satisfied that there has been no material adverse change as at Completion;

- i) the Company being satisfied with its due diligence on, among others, the financial, legal and operational aspects of the Acquired Group; and
- j) Fine Noble injecting a sum of RMB729,999,994 and RMB139,999,994 to Extol and Keen Delight, respectively, as capital.

The Purchasers may in their absolute discretion waive any of the above conditions precedent or any part of a condition precedent (other than the conditions precedent labeled (a), (b), (c), (d) and (e) above) at any time by notice in writing to the Vendors. Such waiver is without prejudice to the Vendors' obligations to satisfy, as soon as possible after the Completion, any waived conditions precedent (or part of any condition precedent), whereas the conditions precedent (a), (b), (c), (d) and (e) above are not waiveable by any party and therefore if any of the conditions (a), (b), (c), (d) and (e)) cannot be fulfilled on or before 31 December 2014 (or such other date as the Purchasers may agree), the Acquisition shall lapse. The Company will only exercise its right to waive such condition precedent (other than (a), (b), (c), (d) and (e)) if it is fair and reasonable and in the interest of the Company and the Shareholders. The Company currently has no intention to waive any of such condition precedent.

In the event that not all of the conditions precedent are fulfilled, or waived, by the Purchasers as the case may be, pursuant to the terms of the S&P Agreement by 31 December 2014 (or such other date as the Purchasers may agree), then the Purchasers shall not be bound to proceed with the Acquisition and the Purchasers shall be entitled to terminate the S&P Agreement by notice in writing to the Vendors. Upon termination, the parties to the S&P Agreement shall be released and discharged from their respective obligations under the S&P Agreement, except as otherwise provided in the S&P Agreement, any cause of action accrued or any liability arising before or in relation to such termination shall continue notwithstanding such termination.

## **Completion**

Completion shall take place on the Completion Date, being the third Business Day following the fulfillment (or waiver thereof) of the conditions precedent or such other date as the Purchasers and Vendors may agree.

## **The Consideration Shares and the Placement Shares**

Due to various commercial reasons, including among other things, the responses of potential placees towards the issue of Placement Shares and the ongoing commercial negotiations between the Company and Founder Information, neither the exact numbers of Consideration Shares and Placement Shares nor the proposed Issue Price was available as at the date of this announcement.

The Company will, therefore, publish an announcement in accordance with the requirements under the Listing Rules, on or before the despatch of the corresponding circular, which will contain, among other things, further details of the issuance of the Consideration Shares and Placement Shares including the number of each of the Consideration Shares and Placement Shares to be issued and the Issue Price. The issuance of the Consideration Shares and Placement Shares will not cause the Company not to comply with the minimum public float requirement under the Listing Rules. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the

Consideration Shares and the Placement Shares. The Consideration Shares and the Placement Shares shall be allotted and issued pursuant to a specific mandate proposed to be obtained at the SGM and shall rank pari passu with the Shares in issue. Further details of the terms on which the specific mandate is to be sought will be set out in the circular in relation to, among others, the Acquisition, to be despatched on or before 9 October 2014.

## APPLICATION FOR LISTING OF THE CONSIDERATION SHARES AND THE PLACEMENT SHARES

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and the Placement Shares to be allotted and issued.

## INFORMATION ON THE ACQUIRED GROUP

The Acquired Group owns and operates 12 property development projects (the “Acquired Projects”) in the PRC as set out in the table below:

PRC Operating Subsidiaries	Project	Location	Planned use	Total site area (sq.m.) <sup>#</sup>	Total permitted GFA (sq.m.) <sup>#</sup>	Interest attributable to the Acquired Group
Chongqing Yingfeng	PKU Resources-Jiangshan Mingmen Project (北大資源江山名門)	Chongqing	Residential, others	453,418.5	1,093,115.73	100%
Chongqing Fangyuan	PKU Resources-Yannan Project (北大資源燕南)	Chongqing	Residential	144,065	626,538.03	70%
Chongqing Yingpu	PKU Resources-Boya Project (北大資源博雅)	Chongqing	Residential, commercial	143,648	498,232.58	70%
Chongqing Yuefeng	PKU Resources-Yuelai Project (北大資源悅來)	Chongqing	Residential	183,457	293,425.95	70%
Foshan Resources	PKU Resources-Boya Binjiang Project (北大資源博雅濱江)	Foshan	Residential, commercial	199,286.5	726,653.18	51%
Wuhan Tianhe	PKU Resources-Shanshuinianhua Project (北大資源山水年華)	Wuhan	Residential	123,949.05	223,108.29	70%
Changsha Longxin	PKU Resources-Time Project (北大資源時光東區)	Changsha	Commercial	69,337.05	152,541.51	70%
Qingdao Boya	Xindexinyuan Project (新都心苑)	Qingdao	Residential town, commercial	20,593.8	74,717.09	70%
Qingdao Bolai	PKU Resources-Boya Huafu Project (北大資源博雅華府(小水B地塊))	Qingdao	Residential town, commercial	108,197.1	313,905.39	70%
Guiyang Henglong	PKU Resources-Dream City Project (北大資源夢想城)	Guiyang	Commercial residential, office	247,425.9	875,099.63	70%
Chengdu Lihui	PKU Resources-Yannan International Project (北大資源燕楠國際)	Chengdu	Residential town, commercial	127,029.07	459,637.90	70%
Xinjin Beichuang	PKU Resources-Xishanyue Project (北大資源溪山樾)	Chengdu	Residential town	113,010.62	56,820.72	70%

<sup>#</sup> Figures are determined upon discussion with an independent valuer.

## Financial information of the Acquired Group

The unaudited net profit before and after taxation and the unaudited net asset value of the Acquired Group (including net asset value attributable to non-controlling interests) for the respective periods were as follows:

	For the year ended 31 December		For the period ended 30 April	
	2011 (HK\$'000)	2012 (HK\$'000)	2013 (HK\$'000)	2014 (HK\$'000)
<b>Keen Delight and its subsidiaries</b>				
Net loss before taxation	(11)	(5)	(76,348)	(47,887)
Net loss after taxation	(11)	(5)	(76,348)	(47,887)
Net asset value	(11)	(16)	(22,397)	41,450
<b>Extol and its subsidiaries</b>				
Net profit (loss) before taxation	(15)	(4)	(31)	86,414
Net profit (loss) after taxation	(15)	(4)	(31)	86,414
Net asset value	(23)	(27)	(68)	82,824
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
<b>Chongqing Resources and its subsidiaries</b>				
Net loss before taxation	(89)	(8,170)	(50,726)	(71,501)
Net loss after taxation	(89)	(8,170)	(50,726)	(71,501)
Net asset value	(19,911)	100,741	50,015	(6,486)
<b>Chengdu Resources and its subsidiaries</b>				
Net loss before taxation		(5,226) <sup>1</sup>	(28,974)	(9,185)
Net loss after taxation		(5,226) <sup>1</sup>	(28,974)	(9,185)
Net asset value		74,774	24,800	15,615
<b>Guiyang Resources and its subsidiaries</b>				
Net loss before taxation		(2,422) <sup>2</sup>	(58,313)	(16,098)
Net loss after taxation		(2,422) <sup>2</sup>	(58,313)	(16,098)
Net asset value		62,578	4,265	(11,833)
<b>Qingdao Resources and its subsidiaries</b>				
Net loss before taxation		(248) <sup>3</sup>	(15,836)	(5,159)
Net loss after taxation		(248) <sup>3</sup>	(15,836)	(5,159)
Net asset value		99,752	99,016	93,657

<sup>1</sup> Profit/loss recorded for the period after incorporation of Chengdu Resources on 6 August 2012.

<sup>2</sup> Profit/loss recorded for the period after incorporation of Guiyang Resources on 22 August 2012.

<sup>3</sup> Profit/loss recorded for the period after incorporation of Qingdao Resources on 28 November 2012.

## **Information on the Purchasers**

As at the date of this announcement, Beijing Tianranju is a wholly-owned subsidiary of the Company. The Group is principally engaged in distribution business of information products in the domestic market and to diversify its business, has been actively entering into the area of property development and commercial property management in recent years. It will principally engage in property investment business thereafter.

## **Information on the Vendors**

As at the date of this announcement, Fine Noble is an investment holding company which is ultimately wholly-owned by Founder Information. PKU Property is a wholly-owned subsidiary of PKU Resources Holdings. Both Vendors own PRC Operating Subsidiaries that are principally engaged in property development projects in the PRC.

## **Information on PKU Resources Group**

As at the date of this announcement, PKU Resources Group controls 51% of the issued share capital of PKU Resources Holdings. It is also an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. PKU Resources Group is principally engaged in the property development business in the PRC.

In view of the demand of high quality education and medical resources being triggered by the implementation of second child policy and prevalence of community senior service in the PRC, with its superior education and medical resources from the close affiliation with Peking University, PKU Resources Group incorporates education and medical elements into its property projects. PKU Resources Group, thus, is able to build its unique product positioning and branding with these diversified community services.

For education, PKU Resources Group has set up an education platform with 北大幼教中心 (the PKU Preschool Education Center\*), the Peking University Elementary School and the Affiliated High School of Peking University. This platform will invest in a number of Peking University's affiliated kindergartens, elementary schools and high schools throughout all property projects of PKU Resources Group. It is expected that Peking University's affiliated kindergartens will become the standard facilities in each of the property projects of PKU Resources Group. Depending on the development plan of local education department, property location and population, the Group will also set up primary schools and high schools in some of its property projects. For medical care, PKU Resources Group has set up PKU Community Medical and Healthcare Center in each of its property projects with the Peking University Health Science Center. Residents are therefore able to enjoy high quality medical services of Peking University at home.

PKU Resources Group and 北大幼教中心 (the PKU Preschool Education Center\*) have developed and jointly operated Peking University's affiliated kindergartens in Dongguan, Jinan and Kunshan etc. These kindergartens are positioned as premium kindergartens which charge higher tuition fees.

Property owners are able to enjoy preferential tuition and are given priority for enrolment. These kindergartens are also open to the public, benefiting neighbouring area. PKU Resources Group expects that there will be increasing demand for these education services due to its branding and will be prepared for further development to serve more residents.

There will be a centralized system covering procurement, distribution, human resources management, financial management and evaluation in the PKU Community Medical and Healthcare Center to standardize the operation of its clinics. Medical and healthcare services will be provided through clinics located within the property projects, where residents are entitled to favorable prices. The clinics will also be opened to the public to benefit more people. PKU Community Medical and Healthcare Center in each of the property projects will provide full healthcare services to all age groups, including six core services: general medical services, health records management, dynamic health monitor, express access to hospital, remote expert consultation and emergency inter-hospital transfer services. These centers will also provide four community services, including community home-based healthcare, community maternal and child healthcare, community healthcare and community healthcare education.

The education service and medical care service system is expected to be completed in the coming three years. In the next three years, it is expected that approximately 30 PKU Community Medical and Healthcare Centers and 30 Peking University's affiliated kindergartens will be set up, serving over 400,000 residents in which 50% are owners of PKU Resources Group's property projects.

In addition to the education and medical care services system, the new cultural center and "Ziyuanjia" (資源家) online service system which provide culture and e-commerce services, respectively, are also under construction. PKU Resources Group expects to gradually transfer such platform to the Group in the future. Therefore, the Group is expected to own and operate an established platform which would be able to provide diversified community services covering cultural, education, medical, healthcare management and e-commerce.

As at the date of this announcement, the Company has no concrete plan of acquiring such assets from PKU Resources Group. Should there be further updates, the Company will fully comply with the relevant legal requirements, including but not limited to the requirements as set out in Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Directors (excluding all the independent non-executive Directors of the Company, who will give their opinion based on the recommendation from the independent financial adviser) consider the Acquisition to be in the interests of the Company and the Shareholders as a whole for the following reasons:

As stated in the 2013 Annual Report, year 2013 marked a major step as a time of transformation for the Group. In order to expand the income base and achieve stable growth in the future, the Group has implemented diverse business development strategies and decided to enter into the PRC property market. The Acquisition provides an opportunity for the Group to acquire quality assets so as to complement its expansion strategy and to tap into property markets in different regions.

**(a) Following Completion, the Company can leverage on the platform of the Acquired Group to further tap into the PRC property market, thus creating value for its Shareholders.**

PKU Resources Group has been engaging in the property development business since 1992 and has been focusing on the property development business in the first- and second-tier cities. PKU Resources Group has established a very good relationship with local governments, which is beneficial for future property development business of the Enlarged Group.

The Group has been looking for opportunities to further expand its existing PRC property business with growth potential. The Acquired Project is mainly located in first- and second-tier cities where the local property prices are yet to grow alongside with the continuous economic developments in the respective cities. The Directors see the Acquisition as an opportunity for the Company to further tap into the PRC property market, thus creating value for its Shareholders. After Completion, the Group will become the first and only overseas listed business platform for property business of Peking Founder, and the Enlarged Group will be able to make use of the platform and the brand of PKU Resources Group to develop its property business in China.

**(b) The Enlarged Group will be able to collaborate with Peking University and PKU Resources Group for providing education, healthcare and other value added services within its property development projects, thereby enhancing the business model and attractiveness of the projects.**

Peking University is well known in providing quality education and healthcare related services in the PRC. PKU Resources Group has set up an education platform with 北大幼教中心 (the PKU Preschool Education Center\*), the Peking University Elementary School and the Affiliated High School of Peking University to invest in a number of Peking University's affiliated kindergartens, elementary schools and high schools throughout all property projects of PKU Resources Group. Also, PKU Resources Group has set up PKU Community Medical and Healthcare Center in each of its property projects with the Peking University Health Science Center. As part of the overall planning for the property projects in the Acquired Group, Peking University has worked with the Acquired Group to provide (i) education related services, i.e. library, seminars organized on site, kindergarten, primary and secondary schools etc., and (ii) healthcare related services, i.e. clinics, elderly care centers etc. in various property projects. It is expected that such collaboration will continue after the completion of the Acquisition and will extend to the other existing or future property projects of the Enlarged Group. In view of the aged population and the raising concern and awareness of the education standards in the PRC, it is expected that such related services will be highly valued. Having such services included or to be included in the property projects will inevitably improve the attractiveness of the property projects and enhance its business model.

In addition, it is expected that an online platform, Ziyuanjia (資源家), will be offered to the property owners of the property projects and this platform will link the property owners to the services provided by PKU Resources Group, including online medical consultation, advanced medical checkup booking, financial services as well as online shop etc.

The Board consider that the collaboration with Peking University and PKU Resources Group will help the Group to provide valuable services both to the owners and the community and enhance the business model of the Enlarged Group.

**(c) The Acquired Group has started the project development and will be able to generate cashflow in the future.**

The 12 property development projects in the Acquired Group will help to increase land bank and net asset of the Enlarged Group. The Acquired Group will also help to diversify income and to generate cash flow to fund the property development business of the Group.

The Board considers that the removal of local home purchase restrictions and the preferential mortgage rate have positive impact on the property sales in China and improve the buying sentiment. In addition, the new urbanization plan brought up by the central government which would include migrate workers into the social welfare system covering healthcare, education etc, will help lower saving ratios and improve the affordability of the public.

The Group will carefully assess the market condition, the PRC governmental policies towards PRC property markets as well as the availability of funding before deciding to proceed with the projects.

**(d) To enhance the management capability for property business of the Group.**

The majority of the executive Directors have management and operating experience with PKU Resources Group's property business and together with the management team of the PRC Operating Subsidiaries of the Acquired Group, they will be able to create synergy for sustainable growth in the business of the Group.

The PRC Operating Subsidiaries' management team has a track record of property development for more than 10 years in the respective cities and has accumulated valuable operating experience. They are familiar with the operating environment of the respective cities, have strong capability for business development and marketing strategies in the regions.

**(e) The Enlarged Group will have strong capacity to raise funds for the development of its future business.**

The Acquired Projects, the experienced management team and strong growth potential of the PRC Operating Subsidiaries together are expected to enable the Enlarged Group to obtain equity and debt financing to develop its future business for future business expansion and development.

In view of the above, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the terms of the S&P Agreement including the issue of the Consideration Shares are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Listing Rules Implications**

As the higher applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, each of Fine Noble and PKU Property is an associate of Peking Founder, by virtue of Peking Founder directly or indirectly being interested so as to exercise or control the exercise of more than 30% of each of their respective voting power. As Peking Founder is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the Acquisition, the transactions contemplated under the S&P Agreement and the allotment and issue of the Consideration Shares also constitute non-exempt connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to approval by the Independent Shareholders at the SGM. Those who are involved in or interested in the Acquisition will abstain from voting at the SGM in respect of the resolutions approving the Acquisition, the transactions contemplated under the S&P Agreement and the allotment and issue of the Consideration Shares.

## **2. CONTINUING CONNECTED TRANSACTIONS: MASTER TRADEMARK LICENSING AGREEMENT**

On 16 September 2014, the Company entered into the Master Trademark Licensing Agreement with PKU Resources Group pursuant to which the Group is authorised to use the brand name of PKU Resources Group in each of their respective property projects.

### **Principal terms of the Master Trademark Licensing Agreement**

The principal terms of the Master Trademark Licensing Agreement, among others, are set out below:

Licensee	:	the Group
Licensor	:	PKU Resources Group, principally engaged in the property development business in the PRC
Condition precedent	:	the Master Trademark Licensing Agreement complies with the relevant provisions of the Listing Rules
Term	:	from the date specified in the individual trademark licensing agreement to the end date not later than 31 December 2016

- License : among others, the Group can use the trademarks of PKU Resources Group (“北大資源集團”) and PKU Resources (“北大資源”) in their project materials, and all the elements such as text, marks, symbols, patterns and colours owned by the licensor as well as the trademarks, logos and brand image construed by these elements. The license is non-exclusive and not to be sub-leased.
- Licensee fees : licensee fees is charged in accordance with 1% of property sales revenue (sum of the down payment, bank mortgage loan amount and other property payments with respect to the sales of the property projects) of the respective property projects

### **Annual caps**

The annual caps for all the transactions contemplated under the Master Trademark Licensing Agreement for each of the three years ending 31 December 2014, 31 December 2015 and 31 December 2016 are RMB70 million (equivalent to approximately HK\$88 million), RMB80 million (equivalent to approximately HK\$101 million) and RMB75 million (equivalent to approximately HK\$94 million), respectively.

The annual caps are determined with reference to (i) the historical rate of 1% charged out of the property sales revenue of the Acquired Group for the period between 1 January 2014 to 16 September 2014 by PKU Resources Group; (ii) the expected increase in the fair value of the goodwill of the respective trademarks; and (iii) the expected property sales revenue of the respective property projects.

Since (i) the relevant transactions had been intra-group transactions before the Acquisition and will only constitute continuing connected transactions due to the Acquisition; and (ii) most of the property projects of the Acquired Group were at preliminary sales stages or did not even yet commence selling before the completion of the Acquisition while the estimated annual caps are closely associated with the maturity of the development stages of the property projects involved, the historical trademark licensing transaction amounts would not be a proper indicator for the estimated annual caps.

### **Reasons and benefits of the Master Trademark Licensing Agreement**

The Directors are of the view that the transactions contemplated under the Master Trademark Licensing Agreement enable the Group to leverage on the already existing brand name of PKU Resources Group. As PKU Resources Group has over 10 years of experience in property development and management, incorporating its brand name and trademark in the promotion of the property projects of the Company will create a stronger recognition and confidence amongst the potential property buyers. The standardization of the promotion of various property projects also ensure the quality and reputation of such.

The Directors are of the view that transactions under the Master Trademark Licensing Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. None of the Directors have a material interest in the transactions contemplated under the Master Trademark Licensing Agreement.

### **Listing Rules Implications**

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Trademark Licensing Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Trademark Licensing Agreement, on an annual basis, exceeds 0.1% but less than 5%, the transactions contemplated under the Master Trademark Licensing Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

### **3. CONTINUING CONNECTED TRANSACTIONS: MASTER PROPERTY MANAGEMENT SERVICE AGREEMENT**

On 16 September 2014, the Company entered into the Master Property Management Service Agreement with PKU Resources Group pursuant to which PKU Resources Group and its associates agree to provide pre-sale property management services to the Group.

#### **Principal terms of the Master Property Management Service Agreement**

The principal terms of the Master Property Management Service Agreement, among others, are set out below:

Obligee	:	the Group
Obligor	:	PKU Resources Group and its associates, all principally engaged in the property development business in the PRC
Condition precedent	:	the Master Property Management Service Agreement complies with the relevant provisions of the Listing Rules
Term	:	from the date specified in the individual property management service agreement to the end date not later than 31 December 2016

Provision of service : among others, (i) service charges including materials and labour costs, and fees (ii) property charges including operation, security, cleaning, customer service and maintenance etc.; and (iii) special charges such as assistance in promotional events, sales support, electricity, etc.

### **Annual caps**

The annual caps for all the transactions contemplated under the Master Property Management Service Agreement for each of the three years ending 31 December 2014, 31 December 2015 and 31 December 2016 are RMB40 million (equivalent to approximately HK\$50 million), RMB65 million (equivalent to approximately HK\$82 million) and RMB85 million (equivalent to approximately HK\$107 million), respectively.

The annual caps are determined with reference to (i) the weighted average historical price of approximately RMB8.9 per sq.m. construction area of the Acquired Group for the period between 1 January 2014 to 16 September 2014 by PKU Resources Group and its associates; (ii) the expected increase in market costs such as material and labour cost, electricity, etc.; and (iii) the phase of construction of the respective property projects.

Since (i) the relevant transactions had been intra-group transactions before the Acquisition and will only constitute continuing connected transactions due to the Acquisition; and (ii) most of the property projects of the Acquired Group were at preliminary sales stages or did not even yet commence selling before the completion of the Acquisition while the estimated annual caps are closely associated with the maturity of the development stages of the property projects involved, the historical property management service transaction amounts would not be a proper indicator for the estimated annual caps.

### **Reasons and benefits of the Master Property Management Service Agreement**

In order to relieve itself from the potential burden of maintaining a large team for property management and supervision, the Group does not retain its own property management team and instead, leveraging on the expertise of PKU Resources Group and its associates to manage its property projects before the respective sales phases. The Directors are of the view that, by leveraging on the expertise of PKU Resources Group and its associates, which have been managing property projects for over 10 years, the respective properties will be managed in a more cost effective way with quality.

The Directors are of the view that transactions under the Master Property Management Service Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. None of the Directors have a material interest in the transactions contemplated under the Master Property Management Service Agreement.

## **Listing Rules Implications**

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Property Management Service Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Property Management Service Agreement, on an annual basis, exceeds 0.1% but less than 5%, the transactions contemplated under the Master Property Management Service Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

#### **4. CONTINUING CONNECTED TRANSACTIONS: MASTER LANDSCAPE CONSTRUCTION AGREEMENT**

On 16 September 2014, the Company entered into the Master Landscape Construction Agreement with PKU Resources Group pursuant to which PKU Resources Group and its associates agree to manage landscape construction in the property projects of the Group.

##### **Principal terms of the Master Landscape Construction Agreement**

The principal terms of the Master Landscape Construction Agreement, among others, are set out below:

Obligee	:	the Group
Obligor	:	PKU Resources Group and its associates, all principally engaged in the property development business in the PRC
Condition precedent	:	the Master Landscape Construction Agreement complies with the relevant provisions of the Listing Rules
Term	:	from the date specified in the individual landscape construction agreement to the end date not later than 31 December 2016
Provision of service	:	among others, (i) planting and seedlings; (ii) road paving; (iii) dredging; (iv) landscape lighting and (v) landscape sketch
Fees	:	Includes amongst others, all direct costs, installation fees, management fees, measure costs, profits, taxes, etc.

## **Annual caps**

The annual caps for all the transactions contemplated under the Master Landscape Construction Agreement for each of the three years ending 31 December 2014, 31 December 2015 and 31 December 2016 are RMB30 million (equivalent to approximately HK\$38 million), RMB45 million (equivalent to approximately HK\$57 million) and RMB40 million (equivalent to approximately HK\$50 million), respectively.

The annual caps are determined with reference to (i) the weighted average historical price of approximately RMB20.18 per sq.m. construction area of the Acquired Group for the period between 1 January 2014 to 16 September 2014 by PKU Resources Group and its associates; (ii) the expected increase in market costs such as management fees and labour costs, etc.; and (iii) the phase of construction of the respective property projects.

Since (i) the relevant transactions had been intra-group transactions before the Acquisition and will only constitute continuing connected transactions due to the Acquisition; and (ii) most of the property projects of the Acquired Group were at preliminary sales stages or did even not yet commence selling before the completion of the Acquisition while the estimated annual caps are closely associated with the maturity of the development stages of the property projects involved, the historical landscape construction transaction amounts would not be a proper indicator for the estimated annual caps.

## **Reasons for an benefits of the Master Landscape Construction Agreement**

By engaging PKU Resources Group and its associates, the landscape of the property projects of the Group can be constructed and managed in a more standardized way. The Directors are of the view that this would ensure the quality of the projects. Also, relying on PKU Resources Group and its associates which have more than 10 years experience in landscape construction will save costs as compared to maintaining a large team for landscape construction in each of its property projects of the Group.

The Directors are of the view that transactions under the Master Landscape Construction Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. None of the Directors have a material interest in the transactions contemplated under the Master Landscape Construction Agreement.

## **Listing Rules Implications**

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Landscape Construction Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Landscape Construction Agreement, on an annual basis, exceeds 0.1% but less than 5%, the transactions contemplated under the Master Landscape Construction Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

## 5. CONTINUING CONNECTED TRANSACTIONS: MASTER LOAN AGREEMENT

On 16 September 2014, the Company entered into the Master Loan Agreement with PKU Resources Group pursuant to which the Group can borrow loans from PKU Resources Group, its associates and independent financial institutions designated by PKU Resources Group and its associates to fund their property projects.

### Principal terms of the Master Loan Agreement

The principal terms of the Master Loan Agreement, among others, are set out below:

Borrower	:	the Group
Lender	:	PKU Resources Group (principally engaged in the property development business in the PRC), its associates and independent financial institutions designed by PKU Resources Group and its associates
Condition precedent	:	the Master Loan Agreement is approved by Independent Shareholders and such agreement complies with the relevant provisions of the Listing Rules
Term	:	from the date specified in the individual loan agreement to the end date not later than 31 December 2015
Interest	:	at the interest rate not more than 12% per annum and to be paid not more frequent than quarterly
Repayment	:	the whole loan shall be repaid on at the end of the term
Other	:	For the avoidance of doubt, the Master Loan Agreement does not apply for any loan transactions that would fall into the exemptions and waivers under Chapter 14A of the Listing Rules.

### Annual caps

The annual caps for all the transactions contemplated under the Master Loan Agreement for each of the two years ending 31 December 2014 and 31 December 2015 are RMB1,131.2 million (equivalent to approximately HK\$1,424.1 million) and RMB1,131.2 million (equivalent to approximately HK\$1,424.1 million).

The annual caps are determined with reference to (i) the weighted average historical interest rate of approximately 12% for loans charged to the Acquired Group by PKU Resources Group and its associates as at 16 September 2014; (ii) the expected interest rate to be charged; and (iii) the repayment schedule of the respective loans.

Since (i) the relevant transactions had been intra-group transactions before the Acquisition and will only constitute continuing connected transactions due to the Acquisition; and (ii) most of the projects of the Acquired Group were at preliminary sales stages or did not even yet commence selling before the completion of the Acquisition while the estimated annual caps are closely associated with the maturity of the development stages of the property projects involved, the historical loan transaction amounts would not be a proper indicator for the estimated annual caps.

### **Reasons for an benefits of the Master Loan Agreement**

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the view that the transactions contemplated under the Master Loan Agreement enable the Group to use its internal resources more efficiently and more flexible resource allocation amongst the Group. Also, in view of recent stringent PRC banking policies in releasing loans to property companies, particularly those at the initial stages of property development, to obtain financing with favourable terms from independent financial institutions. According to the latest consultation made with several independent financial institutions, the interest rates quoted for loans made to the Acquired Group were either at or higher than 12%. In order to ensure a continued capital support for the Enlarged Group to develop its property projects, entering into loan agreements with PKU Resources Group and its associates and independent financial institutions designated by PKU Resources Group and its associates at an interest rate of not more than 12% pursuant to the Master Loan Agreement can effectively reduce the working capital pressure of the Enlarged Group.

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the view that transactions under the Master Loan Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### **Listing Rules Implications**

As at the date of this announcement, PKU Resources Group is an associate of PKU Asset Management, by virtue of PKU Asset Management being able to exercise or control the exercise of more than 30% of its voting power. As PKU Asset Management is a controlling shareholder of the Company, each of its associates is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Loan Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Loan Agreement, on an annual basis,

exceeds 5%, the transactions contemplated under the Master Loan Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Those Shareholders who are involved in or materially interested in the transactions contemplated under the Master Loan Agreement will abstain from voting at the SGM in respect of the resolution approving the Master Loan Agreement.

## **GENERAL**

The Consideration Shares and the Placement Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM, and shall rank pari passu with the Shares in issue. Further details of the terms on which the specific mandate is to be sought from the Shareholders will be set out in the circular in relation to, among others, the Acquisition, to be despatched in due course.

An Independent Board Committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Acquisition and the Master Loan Agreement. The Company, with the approval of the Independent Board Committee, has appointed Octal Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Acquisition and the Master Loan Agreement in accordance with the Listing Rules.

A circular containing, among other things, particulars of the Acquisition, the allotment and issue of the Consideration Shares and the Placement Shares and the Master Loan Agreement, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and notice convening the SGM is expected to be despatched to the Shareholders on or before 9 October 2014.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 4 September 2014 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 September 2014.

## **DEFINITIONS**

Unless otherwise defined, the capitalised terms in this announcement shall have the following meanings:

“Accounts” means the consolidated audited financial statements of the Acquired Group for the financial years ended 31 December 2011, 2012 and 2013, and the four months period ended 30 April 2014

“Acquired Group” Extol and its subsidiaries (Hong Kong Yingfeng, Chongqing Yingfeng and Wuhan Tianhe), Keen Delight and its subsidiaries (Superb Virtue, Hong Kong Urban Development, Chongqing Fangyuan, Hong Kong

PKU, Changsha Longxin, Foshan Resources and Chengdu Lihui), Chongqing Resources and its subsidiaries (Chongqing Yingpu and Chongqing Yuefeng), Chengdu Resources and its subsidiary (Xinjin Beichuang), Guiyang Resources and its subsidiary (Guiyang Henglong), as well as Qingdao Resources and its subsidiaries (Qingdao Boya and Qingdao Bolai)

“Acquired Projects”	the property projects owned by the Acquired Group
“Acquisition”	the Offshore Acquisition and Onshore Acquisition, which happen on or around the same time pursuant to the terms and conditions of the S&P Agreement
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Founder Century”	北京方正世紀信息系統有限公司 (Beijing Founder Century Information System Co., Ltd.*), a company established in the PRC with limited liability
“Beijing Tianranju”	北京天然居科技有限公司 (Beijing Tianranju Technology Co., Ltd.*), a company established in the PRC with limited liability
“Board”	the board of Directors
“Business Day”	means any day (other than a Saturday, Sunday, a public holiday or a day on which typhoon signal no.8 or above or a “black” rainstorm warning is hoisted in Hong Kong) on which banks in Hong Kong are open for business
“BVI”	means British Virgin Islands
“Changsha Henglong”	長沙恒隆房地產開發有限公司 (Changsha Henglong Property Development Co., Limited*), a company established in the PRC with limited liability
“Changsha Longxin”	長沙隆鑫房地產開發有限公司 (Changsha Longxin Property Development Limited*), a company established in the PRC with limited liability
“Chengdu Lihui”	成都立輝地產有限公司 (Chengdu Lihui Property Limited*), a company established in the PRC with limited liability

“Chengdu Resources”	成都北大資源地產有限公司 (Chengdu Peking University Resources Property Limited*), a company established in the PRC with limited liability
“Chongqing Fangyuan”	重慶方源盈潤置業有限公司 (Chongqing Fangyuan Yingrun Property Limited*), a company established in the PRC with limited liability
“Chongqing Resources”	重慶北大資源地產有限公司 (Chongqing Peking University Resources Property Limited*), a company established in the PRC with limited liability
“Chongqing Yingfeng”	重慶盈豐地產有限公司 (Chongqing Yingfeng Property Limited*), a company established in the PRC with limited liability
“Chongqing Yingpu”	重慶盈普投資有限公司 (Chongqing Yingpu Investment Limited*), a company established in the PRC with limited liability
“Chongqing Yuefeng”	重慶悅豐地產有限公司 (Chongqing Yuefeng Property Limited*), a company established in the PRC with limited liability
“Company”	Peking University Resources (Holdings) Company Limited (北大資源(控股)有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange under the stock code 00618
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the S&P Agreement
“Completion Date”	the date of Completion, being the third Business Day following the fulfilment (or waiver thereof) of the conditions precedent or such other date as the Purchasers and Vendors may agree
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of HK\$1,934 million for the Acquisition, including HK\$1,361 million for the Offshore Acquisition and HK\$573 million for the Onshore Acquisition
“Consideration Shares”	new Shares to be issued to Founder Information on the Completion Date in partial satisfaction of the consideration for the Acquisition, details of which will be set out in an announcement to be published at a later date
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Enlarged Group”	the Group and the Acquired Group

“Extol”	Extol High Enterprises Limited (高領企業有限公司), a company established in BVI with limited liability
“Ezhou Jinfeng Property”	鄂州金豐房地產開發有限公司 (Ezhou Jinfeng Property Development Co., Limited*), a company established in the PRC with limited liability
“Fine Noble”	Fine Noble Global Limited (卓御環球有限公司), a company established in BVI with limited liability
“Foshan Resources”	佛山北大資源地產有限公司 (Foshan Peking University Resources Property Limited*), a company established in the PRC with limited liability
“Founder Data”	Founder Data Corporation International Limited, a company established in the BVI with limited liability
“Founder Information”	Founder Information (Hong Kong) Limited (香港方正資訊有限公司), a company established in Hong Kong with limited liability
“GFA”	gross floor areas
“Group”	the Company and its subsidiaries
“Guarantors”	the Vendors, Peking Founder, Founder Information, Starry Realm, PKU Resources Group and PKU Resources Holdings
“Guiyang Henglong”	貴陽恆隆置業有限公司 (Guiyang Henglong Property Limited*), a company established in the PRC with limited liability
“Guiyang Resources”	貴陽北大資源地產有限公司 (Guiyang Peking University Resources Property Limited*), a company established in the PRC with limited liability
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong PKU”	Hong Kong Peking University Resource Property Holdings Limited (香港北大資源地產控股有限公司), a company established in Hong Kong with limited liability
“Hong Kong Tianhe”	Hong Kong Tianhe Holdings Limited (香港天合控股有限公司), a company established in Hong Kong with limited liability
“Hong Kong Tianranju”	Hong Kong Tianranju Holdings Limited (香港天然居控股有限公司), a company established in Hong Kong with limited liability

“Hong Kong Urban Development”	Hong Kong Peking University Resources Urban Development Limited (香港北大資源城市發展有限公司), a company established in Hong Kong with limited liability
“Hong Kong Yingfeng”	Hong Kong Yingfeng Holdings Limited (香港盈豐控股有限公司), a company established in Hong Kong with limited liability
“Hubei Tianranju”	湖北天然居商業運營管理有限公司(Hubei Tianranju Business Management Limited *), a company established in the PRC with limited liability
“Independent Board Committee”	an independent committee of the Board comprising Mr. Li Fat Chung, Ms. Wong Lam Kit Yee and Ms. Cao Qian, the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the Acquisition, the allotment and issue of the Consideration Shares, the Master Trademark Licensing Agreement, the Master Property Management Service Agreement, the Master Landscape Construction Agreement and the Master Loan Agreement
“Independent Third Parties”	an individual or a company who is not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Independent Shareholders”	in respect of the resolutions approving the Acquisition and the transactions contemplated thereunder, the Shareholders other than the Vendors, parties acting in concert with them and those who are involved in or materially interested in the Acquisition and the transactions contemplated thereunder, whereas in respect of other resolutions to be approved at the SGM, the Shareholders other than those who are involved in or materially interested in those resolutions
“Issue Price”	the price for the issuance of each Consideration Share and each Placement Share
“Keen Delight”	Keen Delight Global Limited (建樂環球有限公司), a company established in BVI with limited liability
“Kunshan Hi-Tech”	昆山高科電子藝術創意產業發展有限公司(Kunshan Hi-Tech Electronic Arts Creative Industry Development Co., Ltd*), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

“Main Board”	the stock exchange (excluding the option market) operated by The Stock Exchange of Hong Kong Limited, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Master Landscape Construction Agreement”	a master landscape construction agreement dated 16 September 2014 entered into between the Company and PKU Resources Group
“Master Loan Agreement”	a master loan agreement dated 16 September 2014 entered into between the Company and PKU Resources Group
“Master Property Management Service Agreement”	a master property management service agreement dated 16 September 2014 entered into between the Company and PKU Resources Group
“Master Trademark Licensing Agreement”	a master trademark licensing agreement dated 16 September 2014 entered into between the Company and PKU Resources Group
“Offshore Acquisition”	the acquisition by the Company pursuant to the terms and conditions of the S&P Agreement of the entire issued shares in Extol and Keen Delight, all of which are legally and beneficially owned by Fine Noble as at the date of this announcement
“Onshore Acquisition”	the acquisition by Beijing Tianranju pursuant to the terms and conditions of the S&P Agreement of the entire issued shares in Chongqing Resources, the entire issued shares in Chengdu Resources, the entire issued shares in Guiyang Resources, and the entire issued shares in Qingdao Resources, all of which are legally and beneficially owned by PKU Property as at the date of this announcement
“Peking Founder”	北大方正集團有限公司 (Peking University Founder Group Co., Ltd.*), a company established in the PRC with limited liability
“PKU Asset Management”	北大資產經營有限公司 (Peking University Asset Management Company Limited*), a company established in the PRC with limited liability
“PKU Property”	北大資源集團地產有限公司 (Peking University Resources Group Property Limited*), a company established in the PRC with limited liability
“PKU Resources Holdings”	北大資源集團控股有限公司 (Peking University Resources Group Holdings Co., Ltd.*), a company established in the PRC with limited liability

“PKU Resources Group”	北大資源集團有限公司(Peking University Resources Group Co., Ltd.*), a company established in the PRC with limited liability
“Placement Shares”	new Shares to be issued by the Company to independent institutional investors in partial satisfaction of the consideration of the Acquisition, details of which will be set out in an announcement to be published at a later date
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Operating Subsidiaries”	the PRC operating subsidiaries of the Acquired Group, namely, Chongqing Yingfeng, Wuhan Tianhe, Changsha Longxin, Foshan Resources, Chengdu Lihui and Chongqing Fangyuan, Chongqing Yingpu, Chongqing Yuefeng, Xinjin Beichuang, Guiyang Henglong, Qingdao Boya and Qingdao Bolai, and PRC Operating Subsidiary means any of them
“Purchasers”	means (i) the Company (to purchase the Sale Shares in Extol and Keen Delight); and (ii) Beijing Tianranju (to purchase the Sale Shares in Chongqing Resources, Chengdu Resources, Guiyang Resources and Qingdao Resources)
“Qingdao Boya”	青島博雅華府置業有限公司(Qingdao Boya Huafu Property Limited*), a company established in the PRC with limited liability
“Qingdao Boya Real Estate”	青島博雅置業有限公司(Qingdao Boya Real Estate Co., Ltd.*), a company established in the PRC with limited liability
“Qingdao Bolai”	青島博萊置業有限公司(Qingdao Bolai Property Limited*), a company established in the PRC with limited liability
“Qingdao Resources”	青島北大資源地產有限公司(Qingdao Peking University Resources Property Limited*), a company established in the PRC with limited liability
“RMB”	means Renminbi, the lawful currency of the PRC
“S&P Agreement”	the sale and purchase agreement dated 16 September 2014 and entered into among others, the Purchasers, the Vendors and other Guarantors in relation to the Acquisition
“Sale Shares”	means (i) the entire issued shares in Extol and the entire issued shares in Keen Delight, all of which are legally and beneficially owned by

Fine Noble as at the date of this announcement, and (ii) the entire issued shares in Chongqing Resources, the entire issued shares in Chengdu Resources, the entire issued shares in Guiyang Resources and the entire issued shares in Qingdao Resources, all of which are legally and beneficially owned by PKU Property as at the date of this announcement

“SFC”	Securities and Futures Commission
“SGM”	the special general meeting of the Company to be held to approve, among other things, the Acquisition, the transactions contemplated under the S&P Agreement, the allotment and issue of the Consideration Shares and the Placement Shares and the Master Loan Agreement
“Share(s)”	ordinary share(s) with a par value of HK\$0.10 each in the capital of the Company
“Sq.m.”	square meters
“Starry Realm”	Starry Realm Limited (星域有限公司), a company established in BVI with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning given to it under the Listing Rules
“Superb Virtue”	Superb Virtue Limited (嘉德有限公司), a company established in BVI with limited liability
“Takeovers Code”	the Code on Takeovers and Mergers and Share Repurchases in Hong Kong, as amended from time to time
“Tianjin Boya”	天津博雅置業有限公司 (Tianhe Boya Properties Limited*), a company established in the PRC with limited liability
“Tianhe Property”	天合地產發展有限公司 (Tianhe Property Development Limited*), a company established in the PRC with limited liability
“Tianjin Resources”	天津市北大資源置業有限公司 (Tianjin Peking University Resources Real Estate Company Limited*), a company established in the PRC with limited liability

“Tianjin Science Park”	天津北大科技園建設開發有限公司 (Tianjin Peking University Science Park Construction & Development Company Limited*), a company established in the PRC with limited liability
“Vendors”	means (i) Fine Noble and (ii) PKU Property
“Wuhan Tianhe”	武漢天合錦程房地產發展有限公司 (Wuhan Tianhe Jincheng Property Development Limited*), a company established in the PRC with limited liability
“Xinjin Beichuang”	新津北創房地產開發有限公司 (Xinjin Beichuang Property Development Limited*), a company established in the PRC with limited liability

By order of the Board of  
**Peking University Resources (Holdings) Company Limited**  
**Yu Li**  
*Chairwoman*

16 September 2014

*As at the date of this announcement, the board of directors of the Company comprises executive directors of Ms. Yu Li (Chairwoman), Mr. Fang Hao (President), Mr. Zhou Bo Qin, Mr. Zhang Zhao Dong, Mr. Xie Ke Hai and Mr. Zheng Fu Shuang, and independent non-executive directors of Mr. Li Fat Chung, Ms. Wong Lam Kit Yee and Ms. Cao Qian.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*For illustrative purpose only, HK\$ is converted into RMB at an exchange rate of HK\$1 = RMB0.7943 in this announcement.*

\* For identification purpose only