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If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Peking University Resources (Holdings) Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**CONTINUING CONNECTED TRANSACTIONS:
NEW TECHNICAL SUPPORT SERVICES AGREEMENT**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**

MESSIS  **大有融資**

A letter from the Board of Peking University Resources (Holdings) Company Limited is set out on pages 5 to 12 of this circular. A letter from the Independent Board Committee (as defined herein) of the Company is set out on pages 13 to 14 of this circular. A letter from Messis Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 28 of this circular.

A notice convening the special general meeting to be held at 12:00 noon on Thursday, 26 July 2018 at Meeting Room no. 1, 2/F, Dorsett Tsuen Wan, Hong Kong, 28 Kin Chuen Street, Kwai Chung, Hong Kong is set out on page 36 to 37 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the principal place of business of the Company at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong and in any event not later than 48 hours before the time of the special general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting should you so wish.

10 July 2018

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DEFINITIONS

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

“Announcement”	the announcement made by the Company dated 7 June 2018
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 (Stock Code: 00618)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the effective date of the New Technical Support Services Agreement, which is upon the duly execution of the New Technical Support Services Agreement by PKU Resources Group and the Company as well as the approval of the New Technical Support Services Agreement by the SGM
“Founder Information”	Founder Information (Hong Kong) Limited (香港方正資訊有限公司), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent board committee of the Company comprising all of the three independent non-executive Directors, namely Mr Li Fat Chung, Ms Wong Lam Kit Yee and Mr Chan Chung Kik, Lewis, formed for the purpose of considering the terms of the New Technical Support Services Agreement and its proposed annual caps and advising and making recommendation to the Independent Shareholders as to how to vote at the SGM
“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the New Technical Support Services Agreement (including its annual caps for the three years ending 31 December 2020)
“Independent Shareholders”	the shareholders of the Company other than Founder Information
“Latest Practicable Date”	5 July 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Master Entrusted Management and Consultancy Agreement”	a master entrusted management and consultancy agreement dated 27 August 2015 entered into between the Company and PKU Resources Group
“New Technical Support Services Agreement”	the new technical support services agreement dated 7 June 2018 entered into between the Company and PKU Resources Group
“Peking Founder”	Peking University Founder Group Company Limited* (北大方正集團有限公司), a company established in the PRC with limited liability and the shareholder of Founder Information, which holds approximately 46.36% of the issued share capital of Founder Information
“PKU Resources Group”	Peking University Resources Group Co., Ltd.* (北大資源集團有限公司), a company established in the PRC with limited liability

DEFINITIONS

“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular
“Previous SGM”	the special general meeting of the Company held on 31 August 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Contracts Amount”	the aggregate amount of sales contracts in relation to sale of units (including any pre-sale and completed units) under property development projects
“Sales Receipt”	the aggregate amount of any deposit, down payment, mortgage amount and other amounts received in relation to sale of units (including any pre-sale and completed units) under property development projects
“Services”	the management and consultancy services on various matters to be provided by the Company to PKU Resources Group under the New Technical Support Services Agreement, including (i) planning and design; (ii) quality control and management; (iii) cost management; (iv) project development, construction and operation management; (v) safety production and management; and (vi) other services, as required in the project development, construction, operation and management of property development projects of PKU Resources Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and approve, if thought fit, the New Technical Support Services Agreement (including its annual caps for the three years ending 31 December 2020)
“Shareholder(s)”	Holder(s) of ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Technical Support Services Agreement”	a technical support services agreement dated 21 July 2017 entered into between the Company and PKU Resources Group
“%”	per cent.

For illustrative purpose only, RMB is converted into HK\$ at an exchange rate of RMB1=HK\$1.225 in this circular.

** For identification purpose only*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr Cheung Shuen Lung (*Chairman*)

Mr Zeng Gang (*President*)

Ms Sun Min

Mr Ma Jian Bin

Ms Liao Hang

Mr Zheng Fu Shuang

Independent non-executive Directors:

Mr Li Fat Chung

Ms Wong Lam Kit Yee

Mr Chan Chung Kik, Lewis

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Principal place of business

in Hong Kong:

Unit 1408

14th Floor

Cable TV Tower

9 Hoi Shing Road

Tsuen Wan

New Territories

Hong Kong

10 July 2018

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS:
NEW TECHNICAL SUPPORT SERVICES AGREEMENT**

1. INTRODUCTION

Reference is made to the Announcement in relation to the transactions contemplated under the New Technical Support Services Agreement.

The purpose of this circular is to provide you with, among other things, (i) details of the transactions contemplated under of the New Technical Support Services Agreement (including its respective proposed annual caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the New Technical Support Services Agreement and its respective proposed annual caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in

LETTER FROM THE BOARD

respect of the New Technical Support Services Agreement and its respective proposed annual caps; and (iv) a notice convening the SGM to the Shareholders.

2. CONNECTED RELATIONSHIP

PKU Resources Group is the holding company of Founder Information which is the controlling shareholder of the Company. Accordingly, the transactions contemplated under the New Technical Support Services Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

3. THE NEW TECHNICAL SUPPORT SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 27 August 2015 in respect of, among other things, the Master Entrusted Management and Consultancy Agreement entered into between the Company and PKU Resources Group, pursuant to which the Group agreed to provide a number of services to PKU Resources Group for a term up to 31 December 2017.

Reference is also made to the continuing connected transaction announcement of the Company dated 21 July 2017, the circular of the Company dated 11 August 2017 and the poll results announcement of the Company dated 31 August 2017. The Company entered into the Technical Support Services Agreement with PKU Resources Group on 21 July 2017. The resolution in relation to the Technical Support Services Agreement and its contemplated transactions was proposed but was not passed by the Shareholders at the Previous SGM. As (i) the Master Entrusted Management and Consultancy Agreement has expired on 31 December 2017; (ii) the demand of the Services increases as a result of the increase in number and sales floor area of the existing and new property development projects of PKU Resources Group, comprising mainly residential and commercial properties in Nanchang, Chengdu, Guangzhou, Guiyang, Hangzhou, Nanjing, Yichang, Kunming, Yancheng and Chongqing to be offered for sale since the second half of 2018 as compared with that in full year of 2017, the estimated sales floor area during the second half of 2018 is approximately 1.0 million sq.m. of 14 projects while that in full year of 2017 is approximately 0.3 million sq.m. of six projects; (iii) the Company and its Shareholders will benefit from the New Technical Support Services Agreement in terms of project track records, additional revenue stream and economies of scale which would maximise cost efficiency and management effectiveness of the Company; and (iv) the Company enhanced its investor relationship management by holding several activities for shareholders and investors so as to provide them with sufficient information of the Company and the New Technical Support Services Agreement, the Company re-proposed the transactions contemplated under and eventually entered into the New Technical Support Services Agreement on 7 June 2018, pursuant to which the Company has agreed to provide the Services to PKU Resources Group and its associates for a term up to 31 December 2020.

LETTER FROM THE BOARD

Principal terms of the New Technical Support Services Agreement

The principal terms of the New Technical Support Services Agreement, among others, are set out below:

Parties	(1) PKU Resources Group (2) the Company
Condition precedent	The Company complies with the relevant requirements of the Listing Rules with respect to the New Technical Support Services Agreement
Term	From the Effective Date to 31 December 2020
Scope of the Services	The Company will provide management and consultancy services on various matters to PKU Resources Group, including (i) planning and design; (ii) quality control and management; (iii) cost management; (iv) project development, construction and operation management; (v) safety production and management; and (vi) other services, as required in the project development, construction, operation and management of property development projects of PKU Resources Group.
Service fees and payment terms	Subject to the annual caps below, service fees are payable by PKU Resources Group to the Company once every financial year, charged at 1% of the Sales Contracts Amount generated by PKU Resources Group for the same financial period.

Pricing Basis

The service fee at 1% is determined with reference to the cost incurred for the provision of Services amounted to approximately 0.89%, 0.95% and 1.00% to the Sales Contracts Amount for three years ended 31 December 2017, respectively, with an average of approximately 0.95%. The relevant costs incurred primarily included staff cost and sharing of fixed costs of the Group, for instance rental, utilities and depreciation expenses, incurred during the respective periods. As certain of the relevant costs are fixed cost, with the increase in Sales Contracts Amount, the service fee charged at 1% of the Sales Contracts Amount was able to cover the relevant costs incurred by the Group for serving PKU Resources Group and generate profits for the Group for the two years ended 31 December 2016 and 2017.

LETTER FROM THE BOARD

Annual Caps

Historical Transaction Amounts and Proposed Caps

The historical figures, the historical annual caps in respect of the Master Entrusted Management and Consultancy Agreement and the proposed annual caps in respect of the New Technical Support Services Agreement are as follows:

	Year ended 31 December 2016	Year ended 31 December 2017	Year ending 31 December 2018	Year ending 31 December 2019	Year ending 31 December 2020
Historical figures					
<i>RMB million</i>	18.76	37.65	N/A	N/A	N/A
<i>HK\$ million (approximately)</i>	22.98	46.12	N/A	N/A	N/A
Historical annual caps					
<i>RMB million</i>	40.00	40.00	N/A	N/A	N/A
<i>HK\$ million (approximately)</i>	49.00	49.00	N/A	N/A	N/A
Proposed annual caps					
<i>RMB million</i>	N/A	N/A	150.00	200.00	220.00
<i>HK\$ million (approximately)</i>	N/A	N/A	183.75	245.00	269.50

The scope of the Services of the New Technical Support Services Agreement is similar to that of the Master Entrusted Management and Consultancy Agreement. The major difference between the Master Entrusted Management and Consultancy Agreement and the New Technical Support Services Agreement is that under Master Entrusted Management and Consultancy Agreement, the services fees are payable by PKU Resources Group to the Company once every financial year charged at 1% of the Sales Receipt, while under the New Technical Support Services Agreement, the service fees are payable by PKU Resources Group to the Company once every financial year, charged at 1% of the Sales Contracts Amount generated by PKU Resources Group for the same financial period. As such, the historical figures and annual caps for the two years ended 31 December 2016 and 2017 are calculated based on the Sales Receipt, while the proposed annual caps for the three years ending 31 December 2018, 2019 and 2020 are calculated based on the Sales Contracts Amount. The change of calculation basis is due to the extension of mortgage payment period resulting from the tightening housing loan policy in China. For the property buyers with bank mortgage, they will provide down payment within a week upon agreed to buy the property and enter into sales contracts with PKU Resources Group. The aggregate amount of sales contracts will be calculated as Sales Contracts Amount, while the down payment represents the Sales Receipt at this stage. Then, the buyers submit the mortgage application to the bank and it usually takes several weeks for PKU Resources Group to receive the sales proceeds, which will be calculated as Sales Receipt, while the Sales Contracts Amount at this stage is still the aggregate amount of sales contract. There is no

LETTER FROM THE BOARD

difference between Sales Contracts Amount and Sales Receipt, but the change of calculation basis from Sales Receipt to Sales Contracts Amount could enable the Group to charge service fees at an earlier stage of sales contracts and better match with efforts made by the Group, which overcomes the delay of recognition of service fee. The Group had not provided any of the Services to PKU Resources Group since 1 January 2018 up to the Latest Practicable Date.

The proposed annual caps are determined with reference to the followings:

- (i) the number of property development projects of PKU Resources Group in demand of the Services is expected to increase from six in the year ended 31 December 2017 to 14 for the three years ending 31 December 2018, 2019 and 2020;
- (ii) the sales floor area of the existing and new property development projects of PKU Resources Group, comprising mainly residential and commercial properties in Nanchang, Chengdu, Guangzhou, Guiyang, Hangzhou, Nanjing, Yichang, Kunming, Yancheng and Chongqing to be offered for sale from 2018 to 2020, is expected to amount to approximately 1.0 million sq.m., 1.1 million sq.m. and 0.9 million sq.m. for the three years ending 31 December 2018, 2019 and 2020 respectively while it only recorded 333,000 sq.m for the year ended 31 December 2017;

The table below sets forth the breakdown of the estimated sales floor area figures of existing and new property development projects to be sold arising from PKU Resources Group:

	Year ended 31 December 2017	Year ending 31 December 2018	Year ending 31 December 2019	Year ending 31 December 2020
Sales floor area (approximately square metre in thousand)				
Commercial	50	109	227	55
Residential	222	635	596	682
Commercial and Residential	61	244	250	182
Total	333	988	1,073	919

LETTER FROM THE BOARD

- (iii) PKU Resources Group proposes to develop and sell several property developments projects in the coming years, mainly feature towns in Zhangzhou, Tai'an and others, the estimated sales floor area of which is approximately 5.5 million sq.m.; and
- (iv) the property market price is expected to increase by 4% on average for the years from 2018 to 2020 according to the estimated trend of the PRC property market prices. The average sale price per sq.m. for the year ended 31 December 2017 is approximately RMB12,000, while the average sale price per sq.m. is expected to be approximately RMB13,000, RMB14,000 and RMB14,000 for the three years ending 31 December 2018, 2019 and 2020.

PKU Resources Group did not set up an operation team for the Services so it has engaged the Group to provide the Services. The Group has not provided any services similar to the Services to external independent parties other than PKU Resources Group. In the future, the Group may provide the Services to external independent parties.

Reasons and benefits of the New Technical Support Services Agreement

Since specific kind of property development projects are required to be owned under the name of PKU Resources Group pertaining to certain PRC legal restrictions, for instance projects of sizable commercial and industry properties, the New Technical Support Services Agreement offers an opportunity for the Group to participate in the property development projects of PKU Resources Group. In addition, the technical support service is a less risky option for the Group to take part in property development projects. The Group will also benefit from such an arrangement in terms of additional revenue stream and economies of scale which would maximise cost efficiency and management effectiveness. Further, it will provide a platform for the Group to build a strong and experienced management team to operate its new property development projects and make full use of existing resources.

For the reasons stated above, the Directors (including the independent non-executive Directors) are of the view that transactions under the New Technical Support Services 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. As Mr. Zeng Gang, Ms. Sun Min and Mr. Ma Jian Bin are concurrently serving as directors of PKU Resources Group, they have abstained from voting on the resolution considering the New Technical Support Services Agreement at the Board meeting of the Company. Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the New Technical Support Services Agreement.

Information of the Parties

The Group is principally engaged in property development and property investment in the PRC and distribution of information products in Hong Kong and the PRC.

PKU Resources Group is a comprehensive real estate holding group specialised in real estate development, educational investment, commercial real estate operation, and property operation and management.

LETTER FROM THE BOARD

Listing Rules Implications

As at the date of this circular, PKU Resources Group is the holding company of Founder Information which holds 60.01% shares of the Company and is the controlling shareholder. Accordingly, the transactions contemplated under the New Technical Support Services Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As one of the percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the New Technical Support Services Agreement, on an annual basis, exceeds 5% and the annual caps for the above transactions exceed HK\$10,000,000, the transactions contemplated under the New Technical Support Services 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.

4. SGM

A notice convening the SGM to be held at 12:00 noon on Thursday, 26 July 2018 at Meeting Room no. 1, 2/F, Dorsett Tsuen Wan, Hong Kong, 28 Kin Chuen Street, Kwai Chung, Hong Kong is set out on pages 36 to 37 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the New Technical Support Services Agreement and its proposed annual caps. Founder Information, being the controlling shareholder of the Company, together with its associates, and all parties involved or interested in the New Technical Support Services Agreement are required to abstain from voting with respect to the resolution for approving the New Technical Support Services Agreement and its proposed annual caps. Save as disclosed above, no other shareholder has any material interest in the New Technical Support Services Agreement or is required to abstain from voting at the SGM.

The ordinary resolution to be proposed at the SGM will be determined by way of poll by the Independent Shareholders. Founder Information held 3,850,134,407 issued shares of the Company and controlled the voting rights of such shares, representing approximately 60.01% of the issued share capital of the Company as at the Latest Practicable Date, is required to abstain from voting at the SGM in respect of the ordinary resolution. Save as disclosed above, to the best knowledge of the Directors having made all reasonable enquiries, no other Shareholders are interested in the New Technical Support Services Agreement and required to abstain from voting. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same as soon as possible to the principal place of business of the Company at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong and in any event not less than 48 hours before the time scheduled for the holding of the SGM or any adjournments thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournments thereof should you so desire.

LETTER FROM THE BOARD

5. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of entitlement to attend and vote at the SGM to be held on Thursday, 26 July 2018, the register of members of the Company will be closed from Tuesday, 24 July 2018 to Thursday, 26 July 2018 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the SGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 July 2018.

6. RECOMMENDATION

The Independent Board Committee, which comprises all three independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the terms of the transactions contemplated under the New Technical Support Services Agreement (including the proposed annual caps for the three years ending 31 December 2020).

Messis Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders respectively on the New Technical Support Services Agreement (including the proposed annual caps for the three years ending 31 December 2020).

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the transactions contemplated under the New Technical Support Services Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the transactions contemplated under the New Technical Support Services Agreement and the proposed annual caps for the three years ending 31 December 2020 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of SGM enclosed to this circular.

7. GENERAL

Your attention is also drawn to the letter from the Independent Board Committee, the letter from the Independent Financial Adviser and the additional information set out in the Appendix to this circular and the notice of SGM.

Yours faithfully,
By Order of the Board
Peking University Resources (Holdings) Company Limited
Cheung Shuen Lung
Chairman



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)

10 July 2018

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS:
NEW TECHNICAL SUPPORT SERVICES AGREEMENT**

We refer to the circular dated 10 July 2018 issued by the Company (the “Circular”) of which this letter forms part. Terms used in this letter shall bear the same meanings as given to them in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the New Technical Support Services Agreement (including the respective proposed annual caps for the three years ending 31 December 2020) which require approval by the Independent Shareholders and to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the transactions contemplated under the New Technical Support Services Agreement and to recommend how the Independent Shareholders should vote at the SGM. Messis Capital Limited has been appointed to advise us, the Independent Board Committee in relation to the New Technical Support Services Agreement (including the respective proposed annual caps for the three years ending 31 December 2020).

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 12 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the New Technical Support Services Agreement (including the respective proposed annual caps for the three years ending 31 December 2020), as set out on pages 15 to 28 of the Circular.

Having taken into account the principal factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we consider that the transactions contemplated under the New Technical Support Services Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the transactions contemplated under the New Technical Support Services Agreement and the respective proposed annual caps for the three years ending 31 December 2020 are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the transactions contemplated under the New Technical Support Services Agreement and the respective proposed annual caps of such transactions for the three years ending 31 December 2020.

Yours faithfully,
Independent Board Committee

Li Fat Chung
*Independent non-executive
Director*

Wong Lam Kit Yee
*Independent non-executive
Director*

Chan Chung Kik, Lewis
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter from the Independent Financial Adviser in connection with the advice to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.



10 July 2018

*To: The Independent Board Committee and the Independent Shareholders of
Peking University Resources (Holdings) Company Limited*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS: NEW TECHNICAL SUPPORT SERVICES AGREEMENT

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the terms of the Services contemplated under the New Technical Support Services Agreement and the proposed annual caps for each of the three years ending 31 December 2020 (the “Proposed Annual Caps”), details of which are set out in the letter from the Board (the “Board Letter”) contained in the circular of the Company to the Shareholders dated 10 July 2018 (the “Circular”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 27 August 2015 in respect of, among other things, the Master Entrusted Management and Consultancy Agreement entered into between the Company and PKU Resources Group, pursuant to which the Group agreed to provide a number of services to PKU Resources Group for a term up to 31 December 2017.

Reference is also made to the continuing connected transaction announcement of the Company dated 21 July 2017, the circular of the Company dated 11 August 2017 and the poll results announcement of the Company dated 31 August 2017. The Company entered into the Technical Support Services Agreement with PKU Resources Group on 21 July 2017 to replace the Master Entrusted Management and Consultancy Agreement. The resolution in relation to the Technical Support Services Agreement and its contemplated transactions was proposed but was not passed by the shareholders of the Company at the Previous SGM. As (i) the Master Entrusted Management and Consultancy Agreement has expired on 31 December 2017; (ii) the demand of the Services increases as a result of the increase in number and sales floor area of the existing and new property development projects of PKU Resources Group, comprising mainly residential and commercial properties in Nanchang, Chengdu, Guangzhou, Guiyang, Hangzhou,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Nanjing, Yichang, Kunming, Yancheng and Chongqing to be offered for sale since the second half of 2018 as compared with that in full year of 2017, the estimated sales floor area during the second half of 2018 is approximately 1.0 million sq.m. of 14 projects while that in full year of 2017 is approximately 0.3 million sq.m. of six projects; (iii) the Company and its Shareholders will benefit from the New Technical Support Services Agreement in terms of project track records, additional revenue stream and economies of scale which would maximise cost efficiency and management effectiveness of the Company; and (iv) the Company enhanced its investor relationship management by holding several activities for shareholders and investors so as to provide them with sufficient information of the Company and the New Technical Support Services Agreement, the Company re-proposed the transactions contemplated under and eventually entered into the New Technical Support Services Agreement on 7 June 2018, pursuant to which the Company has agreed to provide the Services to PKU Resources Group and its associates for a term up to 31 December 2020.

As at the Latest Practicable Date, PKU Resources Group is the holding company of Founder Information which is the controlling shareholder of the Company. Accordingly, the transactions contemplated under the New Technical Support Services Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules. As one of the percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the New Technical Support Services Agreement, on an annual basis, exceeds 5% and the annual caps for the above transactions exceed HK\$10,000,000, the transactions contemplated under the New Technical Support Services 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.

The Independent Board Committee comprising of all the independent non-executive Directors, namely Mr Li Fat Chung, Ms Wong Lam Kit Yee and Mr Chan Chung Kik, Lewis, has been formed to advise the Independent Shareholders in relation to the Services contemplated under the New Technical Support Services Agreement (including the Proposed Annual Caps). We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationship with or interests in the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years, we were appointed as an independent financial adviser for the Company for one occasion, details on which are set out in the circular of the Company dated 11 August 2017. Notwithstanding the above, the previous engagement with the Company would not affect our independence from the Company and we are independent from the Company pursuant to Rule 13.84 of the Listing Rules, in particular that we did not serve as a financial adviser to (i) the Company, (ii) PKU Resources Group or its subsidiaries, and (iii) any

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core connected person of the Company within two years prior to 11 June 2018, being date of making our independence declaration to the Hong Kong Stock Exchange pursuant to Rule 13.85(1) of the Hong Kong Listing Rules.

BASIS OF OUR ADVICE AND RECOMMENDATIONS

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the document misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to the New Technical Support Services Agreement.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the New Technical Support Services Agreement and the Proposed Annual Caps. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Background information of the Group and PKU Resources Group

The Group is principally engaged in property development and property investment in the PRC and distribution of information products in Hong Kong and the PRC. During the year ended 31 December 2017, the Group started construction of 3 projects with 26 projects under construction in aggregate and a total of 23 projects on sale. As at 31 December 2017, the area of the Group's properties held for sales, properties under development, areas pending construction and land bank were approximately 0.57 million sq.m., 3.48 million sq.m., 3.04 million sq.m., and 7.10 million sq.m., respectively which locate in 14 cities and districts across China, including Chengdu, Chongqing, Kunming, Guiyang, Tianjin, Kaifeng, Wuhan, Ezhou, Kunshan, Hangzhou, Changsha, Zhuzhou, Foshan and Dongguan.

The table below sets out the key financial information of the Group for the two years ended 31 December 2017 as extracted from the Company's annual report for the year ended 31 December 2017 (the "Annual Report").

	For the year ended/ As at 31 December	
	2017	2016
	(Audited)	(Audited)
	<i>RMB\$'000</i>	<i>RMB\$'000</i>
Revenue	16,246,608	13,216,611
Profit before income tax	1,338,290	90,821
Profit/(loss) for the year	505,580	(388,677)
Total assets	47,106,223	43,939,896
Net assets	2,225,511	1,686,083

The table below sets out the key operating information of property development segment of the Group for the year ended 31 December 2017 as extracted from the Annual Report.

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	For the year ended/ As at 31 December	
	2017	2016
	(Audited)	(Audited)
	RMB\$'000	RMB\$'000
Property development segment		
Segment revenue	8,615,323	8,261,692
Segment results	1,143,933	222,055
Segment assets	36,573,735	38,992,750

According to the Annual Report, property development continues to be the Group's core business and this segment is the largest operating segment of the Group. The segment revenue and segment assets represented approximately 53% and 78% of total revenue and total assets of the Group, respectively, for the year ended and as at 31 December 2017. The Group's revenue for the year ended 31 December 2017 increased by 22.9% to approximately RMB16,246.6 million mainly as a result of expansion of distribution of information products business and property development business of the Group. The results of property development segment recorded a profit of approximately RMB222.1 million and RMB1,143.9 million for the year ended 31 December 2016 and 2017, respectively. The improvement in results of the property development segment was mainly due to the increase in average selling price of certain property development projects and completion of sales of properties of certain property development projects with higher profit margin.

PKU Resources Group is a comprehensive real estate holding group specialized in real estate development, educational investment, commercial real estate operation, and property operation and management. According to the information provided by the Group, PKU Resources Group had 41 property development projects in over 19 cities located all around the PRC as at 31 December 2017.

2. Reasons for and benefits of entering into the New Technical Support Services Agreement

As set out in the Board Letter, since specific kind of property development projects are required to be owned under the name of PKU Resources Group pertaining to certain PRC legal restrictions, for instance projects of sizable commercial and industry properties, the New Technical Support Services Agreement offers an opportunity for the Group to participate in the property development projects. In addition, the technical support service is a less risky option for the Group to take part in property development projects without the need to incur additional costs and time involved in due diligence exercise. The Group will also benefit from such an arrangement in terms of additional revenue stream and economies of scale which would maximise cost efficiency and management effectiveness. Further, it will provide a platform for the Group to build a strong and experienced management team to operate its new property development projects and make full use of existing resources.

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Pursuant to the New Technical Support Services Agreement, the Company will provide management and consultancy services on various matters to the PKU Resources Group, including (i) planning and design; (ii) quality control and management; (iii) cost management; (iv) project development, construction and operation management; (v) safety production and management; (vi) other services, as required in the project development, construction, operation and management of property development projects of the PKU Resources Group. As both the Group and PKU Resources Group are engaging in property development industry with primary focus in the PRC market, we concur the views of the Directors that opportunities of synergy and collaboration exist among the Group and PKU Resources Group. Furthermore, sharing of existing resources of the Group could offer economics of scale and further enhance cost efficiency and management effectiveness among the Group and PKU Resources Group.

As advised by the management of the Group, the Group will benefit from entering into the New Technical Support Services Agreement as follows:

- (i) the New Technical Support Services Agreement offers an opportunity for the Group to participate in the property development projects of PKU Resources Group. Since specific kind of property development projects are required to be owned under the name of PKU Resources Group pertaining to legal restrictions, for instance projects of sizable commercial and industry properties, the Group has the opportunity to be involved in this nature of property development projects through the Services to be provided under the New Technical Support Services Agreement;
- (ii) entering into the New Technical Support Services Agreement is a less risky option for the Group to take part in property development projects without the need to incur additional costs and time involved in due diligence exercise. While PKU Resources Group being owner of the property development projects, the Group would act as merely a service provider on those projects, which incurs a relatively lesser amount of project risks and due diligence efforts rather than the Group being owner of the same projects;
- (iii) the Group will benefit from the New Technical Support Services Agreement in terms of additional revenue stream and economics of scale which would maximize cost efficiency and management effectiveness. By way of sharing existing resources of the Group with the property development projects arising from PKU Resources Group, including staff, facilities and assets, the Group could be in result of enjoying a larger extent of economics of scale. As advised by the management of the Group, for the year ended 31 December 2017, the Group recorded income of approximately RMB37.7 million under “Other income” of the Group’s financial statements in accordance with the Master Entrusted Management and Consultancy Agreement; and
- (iv) entering into the New Technical Support Services Agreement will provide a platform for the Group to build a strong and experienced management team to operate its new property development projects and make full use of existing resources. Part of property development projects from PKU Resources Group are different from that of

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the Group in terms of land use, location and target price, in particular, projects of commercial, industry and feature town properties, which could eventually enrich experience of the operation and management teams of the Group as a whole.

Having considered that (i) both the Group and PKU Resources Group are engaging in property development industry; (ii) the Services provided by the Group are mainly for project development, construction, operation and management of property development projects of the PKU Resources Group; and (iii) aforementioned benefits could be enjoyed by the Group from entering into the New Technical Support Services Agreement, we concur the views of the Directors that entering into the New Technical Support Services Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Although the Technical Support Services Agreement and its contemplated transactions was proposed but was not passed by the shareholders of the Company at the Previous SGM, having considered that (i) the increase in recent demand of the Services attributable to the increase in number and sales floor area of the existing property development projects of PKU Resources Group; (ii) the benefits that the New Technical Support Services Agreement will bring to the Company and the Shareholders in terms of additional revenue stream and economies of scale; and (iii) the reasons and benefits as set out above, we consider it is justifiable for the Company to re-propose the transactions contemplated under the New Technical Support Services Agreement.

3. Principal terms and pricing basis of the New Technical Support Services Agreement

The principal terms of the New Technical Support Services Agreement, among others, are set out below:

Parties:	(1) PKU Resources Group
	(2) the Company
Condition precedent:	the Company complies with the relevant requirements of the Listing Rules with respect to the New Technical Support Services Agreement
Term:	from the Effective Date to 31 December 2020

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Scope of the Services:	the Company will provide management and consultancy services on various matters to the PKU Resources Group, including (i) planning and design; (ii) quality control and management; (iii) cost management; (iv) project development, construction and operation management; (v) safety production and management; and (vi) other services, as required in the project development, construction, operation and management of property development projects of the PKU Resources Group.
Service fee and payment term:	subject to the annual caps below, service fees are payable by the PKU Resources Group to the Company once every financial year, charged at 1% of the Sales Contracts Amount generated by the PKU Resources Group for the same financial period.

As set out in the Board Letter, the service fee at 1% is determined with reference to the cost incurred for the provision of Services amounted to approximately 0.89%, 0.95% and 1.00% to the Sales Contracts Amount for the year ended 31 December 2017, 2016 and 2015, respectively, with an average of approximately 0.95%. The relevant costs incurred primarily included staff cost and sharing of fixed costs of the Group, for instance rental, utilities and depreciation expenses, incurred during the respective periods. As certain of the relevant costs are fixed cost, with the increase in Sales Contracts Amount, the service fee charged at 1% of the Sales Contracts Amount was able to cover the relevant costs incurred by the Group for serving PKU Resources Group and generate profits for the Group for the two years ended 31 December 2016 and 2017.

In assessing the fairness and reasonableness of the service fee (i.e. charged at 1% of the Sales Contracts Amount generated by the PKU Resources Group for the same financial period) under the New Technical Support Services Agreement, we have obtained and reviewed a calculation table from the management of the Group presenting the historical percentage of expenses in terms of Sales Contracts Amount in relation to respective property development projects. Based on the information available to us, we are given to understand that the cost incurred for the provision of Services amounted to approximately 0.89%, 0.95% and 1.00% to the Sales Contracts Amount for three years ended 31 December 2017, respectively, with an average of approximately 0.95%. As illustrated in the calculation table, the relevant costs incurred primarily included staff cost and sharing of fixed costs of the Group, for instance rental, utilities and depreciation expenses, incurred during the respective periods. We note from the calculation table that the cost percentage incurred for the provision of Services shrank while the total Sales Contracts Amount was increasing for the three years ended 31 December 2017, amounting to approximately 0.89%, 0.95% and 1.00% to the Sales Contracts Amount, respectively. In light of the possible benefit of economies of scale with the increasing scale of transaction to be provided under the New Technical Support Services Agreement, as advised by the management of the Group, the service fee charged at 1% of the Sales Contracts Amount was

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able to cover the relevant costs incurred by the Group for serving PKU Resources Group during the respective periods and would generate profits for the Group during the term of the New Technical Support Services Agreement.

As advised by the management of the Group, its principal business is not providing Services to external independent parties, while using and sharing the existing resources of the Group with the property development projects arising from PKU Resources Group, the Group could enjoy the benefit of economies of scale, which would maximise cost efficiency and management effectiveness of the Group as a result.

As advised by the management of the Group, the payment term in relation to the service fees payable by the PKU Resources Group to the Company once every financial year could retain the relevant administrative cost incurred at minimal level.

Having considered that (i) the principal terms of the New Technical Support Services Agreement, in particular that the service fee to be charged at 1% of the Sales Contracts Amount generated by the PKU Resources Group is in line with the relevant actual expenses incurred in recent historical periods and the payment term of service fees payable to the Company once every financial year helps achieve better cost efficiency; (ii) the Group will be able to enjoy the benefit of economies of scale with the increasing demand from the PKU Resources Group on the Services; and (iii) the service fees represents an additional revenue stream to the Group, we concur the views of the Directors that the terms of the New Technical Support Services Agreement (including the payment term) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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4. The Proposed Annual Caps

As set out in the Board Letter, the historical figures, the historical annual caps in respect of the Master Entrusted Management and Consultancy Agreement and the proposed annual caps in respect of the New Technical Support Services Agreement are as follows:

	Year ended 31 December 2016	Year ended 31 December 2017	Year ending 31 December 2018	Year ending 31 December 2019	Year ending 31 December 2020
Historical figures					
<i>RMB million</i>	18.76	37.65	N/A	N/A	N/A
<i>HK\$ million</i>					
<i>(approximately)</i>	22.98	46.12	N/A	N/A	N/A
Historical annual caps					
<i>RMB million</i>	40.00	40.00	N/A	N/A	N/A
<i>HK\$ million</i>					
<i>(approximately)</i>	49.00	49.00	N/A	N/A	N/A
Proposed annual caps					
<i>RMB million</i>	N/A	N/A	150.00	200.00	220.00
<i>HK\$ million</i>					
<i>(approximately)</i>	N/A	N/A	183.75	245.00	269.50

As set out in the Board Letter, the scope of the services of the New Technical Support Agreement is similar to that of the Master Entrusted Management and Consultancy Agreement. The major difference between the Master Entrusted Management and Consultancy Agreement and the New Technical Support Services Agreement is that under Master Entrusted Management and Consultancy Agreement, the services fee are payable by the PKU Resources Group to the Company once every financial year charged at 1% of the Sales Receipt, while under the New Technical Support Services Agreement, the service fees are payable by the PKU Resources Group to the Company once every financial year, charged at 1% of the Sales Contracts Amount generated by the PKU Resources Group for the same financial period. As such, the historical figures and annual caps for the two years ended 31 December 2016 and 2017 are calculated based on the Sales Receipt, while the proposed annual caps for the three years ending 31 December 2018, 2019 and 2020 are calculated based on the Sales Contracts Amount. The change of calculation basis is due to the extension of mortgage payment period resulting from the tightening housing loan policy in China. For the property buyers with bank mortgage, they will provide down payment within a week upon agreed to buy the property and enter into sales contracts with PKU Resources Group. The aggregate amount of sales contracts will be calculated as Sales Contracts Amount, while the down payment represents the Sales Receipt at this stage. Then, the buyers submit the mortgage application to the bank and it usually takes several weeks

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for PKU Resources Group to receive the sales proceeds, which will be calculated as Sales Receipt, while the Sales Contracts Amount at this stage is still the aggregate amount of sales contract. There is no difference between Sales Contracts Amount and Sales Receipt, but the change of calculation basis from Sales Receipt to Sales Contracts Amount could enable the Group to charge service fees at an earlier stage of sales contracts and better match with efforts made by the Group, which overcomes the delay of recognition of service fee. As advised by the management of the Group and set out in the Board Letter, the Group had not provided any of the Services to PKU Resources Group since 1 January 2018 up to the Latest Practicable Date.

As advised by the management of the Group in relation to the property purchase price settlement process in the case of bank mortgage, the prospective property buyer needs to provide down payment within a week upon agreed to buy the property, and afterwards the said buyer submits the mortgage application to its banker, which might result in prolonged for the PKU Resources Group to receive the sales proceeds. The basis of Sales Receipt is linked to aforementioned settlement process and therefore would cause delay of recognition of service fee to the Group, as compared to the basis of Sales Contracts Amount. Having considered that material efforts in relation to the Services were normally put by the Group on or before the relevant sales contracts were entered into, we consider it is justifiable to charge the service fees based on calculation basis of Sales Contracts Amount instead of Sales Receipt.

As advised by the management of the Group and set out in the Board Letter, subject to the annual caps above, service fees are payable by the PKU Resources Group to the Company once every financial year, charged at 1% of the Sales Contracts Amount generated by the PKU Resources Group for the same financial period. We have obtained and reviewed the list of property development projects for the coming three years from 2018 to 2020 with respective expected Sales Contracts Amount, which is provided by the management of the Company. We note that the Proposed Annual Caps of each of the three years ending 31 December 2018, 2019 and 2020 are principally calculated as 1% of the estimated Sales Contracts Amount of property development projects of PKU Resources Group in each respective year.

As set out in the Board Letter, PKU Resources Group did not set up an operation team for the Services so it has engaged the Group to provide the Services and the Group has not provided any services similar to the Services to external independent parties other than PKU Resources Group. In the future, the Group may provide the Services to external independent parties.

As advised by the management of the Group and set out in the Board Letter, the Proposed Annual Caps are derived based on factors as set out below:

(i) the number and sales floor area of the existing and new property development projects of PKU Resources Group, comprising mainly residential and commercial properties in Nanchang, Chengdu, Guangzhou, Guiyang, Hangzhou, Nanjing, Yichang, Kunming, Yancheng and Chongqing to be offered for sale from 2018 to 2020;

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As set out in the Board Letter, the table below sets forth the breakdown of the estimated sales floor area figures of existing and new property development projects to be sold arising from PKU Resources Group:

	Year ended 31 December 2017	Year ending 31 December 2018	Year ending 31 December 2019	Year ending 31 December 2020
Sales floor area (approximately square metre in thousand)				
Commercial	50	109	227	55
Residential	222	635	596	682
Commercial and Residential	61	244	250	182
Total	333	988	1,073	919

With reference to the aforementioned list of property development projects for the three years ending 31 December 2020 and compared to that of the year ended 31 December 2017, we note that the existing and new property development projects arising from PKU Resources Group and corresponding sales floor area increased significantly from 6 to 14 and from approximately 0.3 to 1.0 million sq.m., respectively, for the period between 2017 and second half of 2018, which caused sharp increase from 2017 to second half of 2018 in terms of the expected Sales Contracts Amount and corresponding service fee. We also note that the said existing property development projects will continue to be offered for sale in 2019 and 2020, which will provide estimated sales floor area of approximately 1.1 and 0.9 million sq.m., respectively.

(ii) the sales floor area and sales amount of the estimated property development projects of PKU Resources Group, mainly feature towns in Zhangzhou, Tai'an and others, which is expected to be sold in coming few years; and

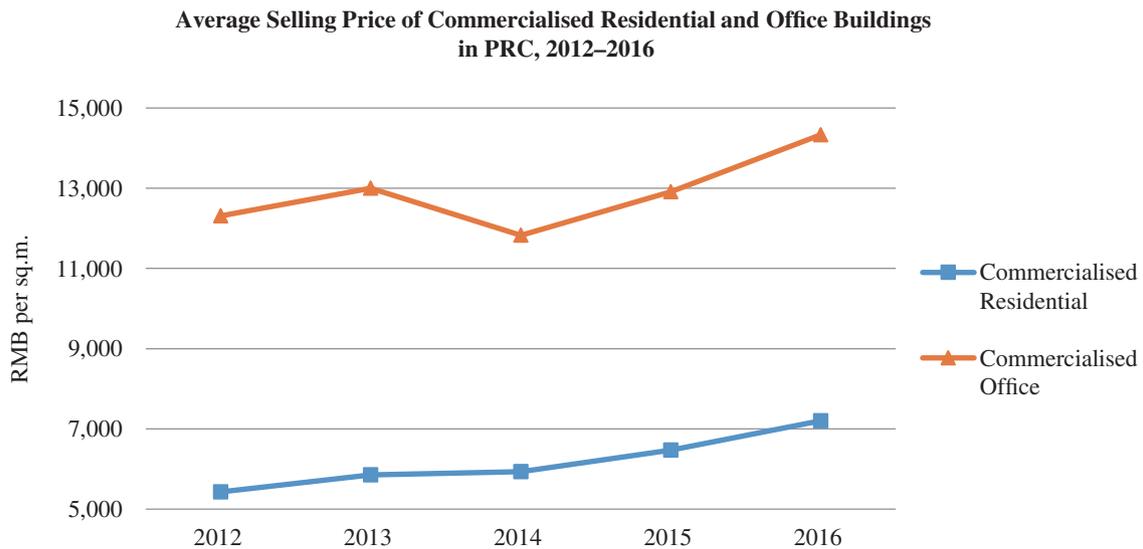
Based on the information available to us, we are given to understand that estimated property development projects of PKU Resources Group, mainly feature towns in Zhangzhou, Tai'an and others, which is expected to be sold in coming few years with an estimated sales floor area over 5.5 million sq.m., the management of the Group expects increase in both property development projects and sales floor area arising from PKU Resources Group for the three years ending 31 December 2020. Given the increase in estimated sales floor area for the three years ending 31 December 2020, the management of the Group expects that the Sales Contracts Amount will increase accordingly for the respective years. As the service fee is calculated based on 1% of the Sales Contracts Amount, the management of the Group also expects the service fee will increase as a result.

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(iii) the property market price is expected to increase by 4% on average for the years from 2018 to 2020 according to the estimated trend of the PRC property market prices.

As set out in the Board Letter, the property market price is expected to increase by 4% on average for the years from 2018 to 2020 according to the estimated trend of the PRC property market prices. The average sale price per sq.m. for the year ended 31 December 2017 is approximately RMB12,000, while the average sale price per sq.m. is expected to be approximately RMB13,000, RMB14,000 and RMB14,000 for the three years ending 31 December 2018, 2019 and 2020.

As the property selling price is a primary contributing factor to the Sales Contracts Amount, which could eventually affect transaction amount on the Services in respective of the New Technical Support Services Agreement. With reference to the national data sourced from the National Bureau of Statistics of China, the following graph shows the average selling price of commercialized residential and office buildings in PRC for 2012–2016.



Source: National Bureau of Statistics of China

As illustrated in the above graph, the average selling price of commercialised residential and office buildings in PRC increased approximately 33% and 16% at a CAGR of approximately 5.8% and 3.1%, respectively, for the period between 2012 and 2016. Based on above, we concur the view of the Directors that the transaction amount on the Services in respective of the New Technical Support Services Agreement will be increased based on the historical general increasing trend on the PRC property market.

The proposed annual caps for the three years ending 31 December 2018 to 2020 increased by more than 100% as compared to the historical annual caps for the year ending 31 December 2017 due to estimated increase in number and sales amount of property development projects of PKU Resources Group.

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Having considered the above, in particular that (i) the change of service fee calculation basis from Sales Receipt to Sales Contracts Amount causes the Proposed Annual Caps exceeds significantly the historical annual caps in respect of the Master Entrusted Management and Consultancy Agreement; (ii) both aforementioned existing and estimated property development projects arising from PKU Resources Group for the three years ending 31 December 2020 is expected which will result in more Services to be provided by the Group; and (iii) the historical annual cap for the year ended 31 December 2017 has been used up more than 90%, we concur the views of the Directors that the Proposed Annual Caps for the New Technical Support Services Agreement are reasonably determined, and are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the view that (i) the entering into the New Technical Support Services Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; (ii) the terms of the New Technical Support Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the Proposed Annual Caps are reasonably determined, and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the SGM to approve the New Technical Support Services Agreement and the respective Proposed Annual Caps thereof.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Vincent Cheung
Managing Director

Note: Mr. Vincent Cheung is a licensed person registered with the Securities and Future Commission of Hong Kong and regarded as a responsible officer of Messis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as contained in Appendix 10 to the Listing Rules, were as follows:

(a) Long positions in Shares of the Company under the SFO:

Name of Director	Number of ordinary shares held, capacity and nature of interest			Percentage of the Company’s issued share capital
	Directly beneficially owned	Through controlled corporation (Note)	Total	
Mr Zheng Fu Shuang	200,019,000	584,984,000	785,003,000	12.23

Note: Mr Zheng Fu Shuang is interested 584,984,000 shares through Starry Nation Limited, a company which is ultimately beneficially owned by Mr Zheng Fu Shuang.

(b) Short positions in Shares of the Company under the SFO:

Name of Director	Number of ordinary shares held, capacity and nature of interest Through controlled corporation	Percentage of the Company's issued share capital
Mr Zheng Fu Shuang (<i>Note</i>)	100,000,000	1.56

Note: Mr Zheng Fu Shuang is interested in these shares through Starry Nation Limited, a company which is ultimately beneficially owned by Mr Zheng Fu Shuang.

Save as disclosed above, as at Latest Practicable Date, none of the Directors had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed in this paragraph, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2017, being the date to which the latest published audited consolidated accounts of the Company were made up.

No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at the Latest Practicable Date, so far it is known to the Directors, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Name	Notes	Capacity and nature of interest	Long positions		Short positions	
			Number of ordinary shares held	Percentage of the Company's issued share capital	Number of ordinary shares held	Percentage of the Company's issued share capital
北大資產經營有限公司 (Peking University Asset Management Company Limited*) ("PKU Asset Management")	1	Through a controlled corporation	3,950,134,407	61.57	-	-
PKU Resources Group	2	Through a controlled corporation	3,950,134,407	61.57	-	-
北大資源集團控股有限公司 (Peking University Resources Group Holdings Co., Ltd.*)	3	Through a controlled corporation	3,950,134,407	61.57	-	-
北大資源地產集團有限公司 (Peking University Resources Property Group Company Limited)	4	Through a controlled corporation	3,950,134,407	61.57	-	-
Peking Founder	5	Through a controlled corporation	3,950,134,407	61.57	-	-
Founder Information	6	Directly beneficially owned	3,850,134,407	60.01	-	-
		Through a controlled corporation	100,000,000	1.56	-	-
Mr Zheng Fu Shuang	7	Through a controlled corporation	785,003,000	12.23	100,000,000	1.56

Name	Notes	Capacity and nature of interest	Long positions		Short positions	
			Number of ordinary shares held	Percentage of the Company's issued share capital	Number of ordinary shares held	Percentage of the Company's issued share capital
Shine Crest Group Limited	8	Through a controlled corporation	584,984,000	9.12	100,000,000	1.56
Starry Nation Limited		Directly beneficially owned	584,984,000	9.12	100,000,000	1.56
Rongtong Fund Management Co. Ltd.	9	Through a controlled corporation	575,076,000	8.96	-	-
Rongtong Ronghai No. 10 SNIA QDII		Directly beneficially owned	575,076,000	8.96	-	-

* For identification purposes only

Notes:

1. PKU Asset Management is deemed to be interested in the 3,950,134,407 shares of the Company under the SFO by virtue of its interest in PKU Resources Group.
2. PKU Resources Group is deemed to be interested in the 3,950,134,407 shares of the Company under the SFO by virtue of its interest in Peking University Resources Group Holdings Co., Ltd..
3. Peking University Resources Group Holdings Co., Ltd. is deemed to be interested in the 3,950,134,407 shares of the Company under the SFO by virtue of its interest in Peking University Resources Property Group Company Limited.
4. Peking University Resources Property Group Company Limited is deemed to be interested in the 3,950,134,407 shares of the Company under the SFO by virtue of its interest in Founder Information.
5. Peking Founder is deemed to be interested in the 3,950,134,407 shares of the Company under the SFO by virtue of its interest in Founder Information.
6. Founder Information is interested in the 3,950,134,407 shares of the Company, out of which 100,000,000 shares are charged to Fountain Luck Holdings Limited, which is indirectly wholly owned by Founder Information, by Starry Nation Limited.
7. Mr Zheng Fu Shuang is interested in 785,003,000 shares of the Company, out of which 200,019,000 shares are held directly by Mr Zheng Fu Shuang and 584,984,000 shares are held through Starry Nation Limited. The 100,000,000 shares of the Company held by Starry Nation Limited are charged to Fountain Luck Holdings Limited, which is indirectly wholly owned by Founder Information, and are classified as a short position of Starry Nation Limited under the SFO.
8. Shine Crest Group Limited is deemed to be interested in the 584,984,000 shares of the Company under the SFO by virtue of its interest in Starry Nation Limited.
9. Rongtong Fund Management Co. Ltd. is deemed to be interested in 575,076,000 shares of the Company under the SFO by virtue of its interest in Rongtong Ronghai No. 10 SNIA QDII.

Save as disclosed above, so far it is known to the Directors, as at 31 December 2017, no person, other than the Directors, whose interests are set out in the section “Directors’ interests and short positions in shares and underlying shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

4. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).

5. EXPERT

Messis Capital Limited is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under SFO.

As at the Latest Practicable Date, Mesis Capital Limited was not beneficially interested in the securities of any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Mesis Capital Limited did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2017, being the date to which the latest published audited consolidated accounts of the Company were made up.

Mesis Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name, in the form and context in which they appear.

6. LITIGATION AND CLAIMS

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigations or claims and no litigations or claims of material importance is pending or threatened against the Company or any member of the Group.

7. DIRECTORS’ INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group.

8. MATERIAL CONTRACTS

The Group has not entered to any material contract (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date.

9. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited consolidated accounts of the Company were made up.

10. GENERAL

The English text of this circular shall prevail over the Chinese text in case of inconsistency.

The company secretary of the Company is Ms Cheang Yee Wah Eva, associate member of The Hong Kong Institute of Chartered Secretaries.

The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is situated at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The transfer office of the Company is situated at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong during normal business hours on any weekday (public holidays excluded) from the date of this circular up to and including the date of SGM:

- i. the bye-laws of the Company;
- ii. the annual reports of the Company for the two years ended 31 December 2017;
- iii. the New Technical Support Services Agreement;
- iv. the Master Entrusted Management and Consultancy Agreement;
- v. the Technical Support Services Agreement;
- vi. the letter from the Independent Board Committee, the text of which is set out on pages 13 to 14 of this circular;

- vii. the letter from the Independent Financial Adviser, the text of which is set out on pages 15 to 28 of this circular;
- viii. the letter of consent from the Independent Financial Adviser referred to in the paragraph headed Expert above; and
- ix. this circular.

NOTICE OF SGM



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)

NOTICE IS HEREBY GIVEN that a special general meeting of Peking University Resources (Holdings) Company Limited (the “Company”) will be held at 12:00 noon on Thursday, 26 July 2018 at Meeting Room no. 1, 2/F, Dorsett Tsuen Wan, Hong Kong, 28 Kin Chuen Street, Kwai Chung, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the New Technical Support Services Agreement (as defined in the circular to the shareholders of the Company dated 10 July 2018) be and is hereby approved;
- (b) the proposed annual caps in relation to the transactions contemplated under the New Technical Support Services Agreement for the three years ending 31 December 2020 be and are hereby approved;
- (c) any one Director be and is hereby authorised to do all such acts or things, as he/ she may in his/her absolute discretion consider necessary or desirable, to give effect to the New Technical Support Services Agreement and the transactions contemplated thereunder.”

By Order of the Board

Peking University Resources (Holdings) Company Limited

Cheung Shuen Lung

Chairman

Hong Kong, 10 July 2018

NOTICE OF SGM

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote instead of his/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company but must be present in person at the meeting to represent the shareholder. Completion and return of the form of proxy will not preclude a shareholder from attending the meeting and voting in person. In such event, his/her form of proxy will be deemed to have been revoked.
2. Where there are joint holders of any share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the principal place of business of the Company in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
4. For the purpose of entitlement to attend and vote at the special general meeting to be held on Thursday, 26 July 2018, the register of members of the Company will be closed from Tuesday, 24 July 2018 to Thursday, 26 July 2018 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the special general meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 July 2018.
5. In accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Founder Information (Hong Kong) Limited and its associates (as defined in the Listing Rules) are required to abstain from voting on the above ordinary resolution.
6. At the meeting (or at any adjournment thereof), the Chairman of the meeting put the above resolution to the vote by way of a poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Bye-laws of the Company. The poll results will be published on the websites of the Company at www.pku-resources.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk following the meeting.