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北大资源
PKU RESOURCES

Peking University Resources (Holdings) Company Limited

北大资源（控股）有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 00618)

**CONTINUING CONNECTED TRANSACTIONS:
MASTER PURCHASE AGREEMENT
AND
MASTER SALES AGREEMENT**

MASTER PURCHASE AGREEMENT

On 7 December 2012, the Company and Peking Founder entered into the Existing Master Purchase Agreement which will expire on 31 December 2015. As the Directors consider that the annual caps under the Existing Master Purchase Agreement will be insufficient, on 10 March 2015, the Company and Peking Founder terminated the Existing Master Purchase Agreement and entered into the Master Purchase Agreement, pursuant to which the Group would purchase certain software products, systems integration products, software development services, hardware development services and/or systems integration development services on normal commercial terms and a non-exclusive basis, until 31 December 2017.

MASTER SALES AGREEMENT

On 1 November 2011, the Company and Peking Founder entered into the Existing Master Sales Agreement which expired on 31 December 2014. As a result, on 10 March 2015, the Company and Peking Founder entered into the Master Sales Agreement pursuant to which the Group would supply certain information products (including but not limited to desktop computers, laptop computers, servers, networking tools, internet products, monitors and software) to Peking Founder Group on normal commercial terms and a non-exclusive basis, until 31 December 2017.

LISTING RULES REQUIREMENTS

As at the date of this announcement, the Company is owned as to approximately 57.15% of the issued Shares by Founder Information, which is an associate of Peking Founder. Therefore, Peking Founder is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement exceeds 5% and the consideration for each of the above transactions exceed HK\$10,000,000, each of the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements Chapter 14A of the Listing Rules.

GENERAL

An independent board committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Master Purchase Agreement and the Master Sales Agreement. The Company, with the approval of the independent board committee, has appointed Industrial Securities (HK) Capital Limited as the independent financial adviser to advise the independent board committee and the Independent Shareholders on matters in relation to the Master Purchase Agreement (including the proposed annual caps for three years ending 31 December 2017) and the Master Sales Agreement (including the proposed annual caps for three years ending 31 December 2017) in accordance with the Listing Rules.

The Company will despatch to its shareholders a circular containing further details of each of the Master Purchase Agreement and the Master Sales Agreement, the letters from the independent board committee and the Independent Financial Adviser, and a notice convening the SGM on or before 31 March 2015 in accordance with the Listing Rules. Peking Founder and its associates will abstain from voting at the SGM in respect of the relevant resolutions.

THE MASTER PURCHASE AGREEMENT

Introduction

On 7 December 2012, the Company and Peking Founder entered into the Existing Master Purchase Agreement pursuant to which the Group has been purchasing certain software products, systems integration products, software development services, hardware development services and/or systems integration development services from Peking Founder Group on normal commercial terms and in the ordinary course of business. As the Directors consider that the annual caps under the Existing Master Purchase Agreement will be insufficient, the Company has terminated the Existing Master Purchase Agreement and entered into the Master Purchase Agreement with Peking Founder on 10 March 2015 for the Group to continue the transactions for such purchase of products and services from Peking Founder Group.

Principal Terms of the Master Purchase Agreement

Peking Founder Group would, subject to certain conditions, continue to provide the Group with certain software products, systems integration products, software development services, hardware development services and/or systems integration development services on normal commercial terms and a non-exclusive basis.

Pursuant to the Master Purchase Agreement, the Group shall purchase such products at market prices determined at the relevant time (i) with reference to the prices and credit terms at which such products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the local market and/or adjacent regions; or (ii) where no comparables as stated in (i) are available, with reference to the prices and credit terms at which such products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the PRC; or (iii) where none of the above comparables is available, with reference to the reasonable prices and credit terms agreed between the parties on arm's length basis.

The terms of the Master Purchase Agreement shall become effective from the date on which Independent Shareholders's approval is obtained at the SGM and expire on 31 December 2017. The Master Purchase Agreement, or any contract signed pursuant to the Master Purchase Agreement, can be terminated by 30 days' notice in writing by either party.

Historical Transaction Amounts and Proposed Caps

The historical figures, the historical annual caps and the proposed annual caps in respect of the Master Purchase Agreement are as follows:

	Year ended 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2014	Year ended 31 December 2014	Year ending 31 December 2015	Year ending 31 December 2016	Year ending 31 December 2017
Historical figures							
<i>RMB million</i>	7.5	8.5	4.5	N/A	N/A	N/A	N/A
<i>HK\$ million</i> <i>(approximately)</i>	9.2	10.7	5.7	N/A	N/A	N/A	N/A
Historical annual caps							
<i>RMB million</i>	16	16	N/A	16	16	N/A	N/A
<i>HK\$ million</i> <i>(approximately)</i>	20	20	N/A	20	20	N/A	N/A
Proposed annual caps							
<i>RMB million</i>	N/A	N/A	N/A	N/A	350	350	350
<i>HK\$ million</i> <i>(approximately)</i>	N/A	N/A	N/A	N/A	434	434	434

The proposed annual cap has been determined with reference to the historical purchase pattern and expected total value of the transactions between the Group and Peking Founder Group under the Master Purchase Agreement.

Reasons for and benefits of the Master Purchase Agreement

As Peking Founder Group has various business contracts with the Group and is familiar with the Group's product and service specifications, it is able to respond quickly and in a cost effective manner to any new specifications that the Group may from time to time request.

The Directors (excluding the independent non-executive Directors who will express their opinion after receiving advice from the Independent Financial Adviser) consider that the terms of the Master Purchase Agreement and its proposed annual caps are in the ordinary course of business, on normal commercial terms, are fair and reasonable, and the transactions contemplated under the Master Purchase Agreement are in the interests of the Company and shareholders as a whole.

Except for Mr Zhang Zhao Dong who is also director of Peking Founder, none of the Directors have any material interest in the Master Purchase Agreement. Mr Zhang Zhao Dong has abstained from voting on the board meeting approving the Master Purchase Agreement.

THE MASTER SALES AGREEMENT

Introduction

On 1 November 2011, the Company and Peking Founder entered into the Existing Master Sales Agreement pursuant to which the Group has been supplying certain information hardware products (including but not limited to desktop computers, laptop computers, servers, networking tools, internet products, monitors and software) to Peking Founder Group on normal commercial terms and in the ordinary course of business. The Existing Master Sales Agreement expired on 31 December 2014. Accordingly, the Company has entered into the Master Sales Agreement with Peking Founder on 10 March 2015 for the Group to continue the transactions for such sales of information hardware products to Peking Founder Group.

Principal Terms of the Master Sales Agreement

The Group would, subject to certain conditions, continue to provide Peking Founder Group with certain information hardware products (including but not limited to desktop computers, laptop computers, servers, networking tools, internet products, monitors and software) on normal commercial terms and a non-exclusive basis.

Pursuant to the Master Sales Agreement, the Group shall provide such information hardware products at market prices determined at the relevant time (i) with reference to the prices and credit terms at which such information hardware products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the local market and/or adjacent regions; or (ii) where no comparables as stated in (i) are available, with reference to the prices and credit terms at which such information hardware products are supplied, on normal commercial terms in its ordinary and usual course of business, to independent third party customers in the PRC; or (iii) where none of the above comparables is available, with reference to the reasonable prices and credit terms agreed between the parties on arm's length basis.

The terms of the Master Sales Agreement shall become effective from the date on which Independent Shareholders's approval is obtained at the SGM and expire on 31 December 2017. The Master Sales Agreement, or any contract signed pursuant to the Master Sales Agreement, can be terminated by 30 days' notice in writing by either party.

Historical Transaction Amounts and Proposed Caps

The historical figures, the historical annual caps and the proposed annual caps in respect of the Master Sales Agreement are as follows:

	Year ended 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2014	Year ended 31 December 2014	Year ending 31 December 2015	Year ending 31 December 2016	Year ending 31 December 2017
Historical figures							
<i>RMB 'million</i>	51.2	137.0	80.6	N/A	N/A	N/A	N/A
<i>HK\$ 'million</i> <i>(approximately)</i>	63.0	173.0	101.5	N/A	N/A	N/A	N/A
Historical annual caps							
<i>RMB 'million</i>	712.702	712.702	N/A	712.702	N/A	N/A	N/A
<i>HK\$ 'million</i> <i>(approximately)</i>	900.143	900.143	N/A	900.143	N/A	N/A	N/A
Proposed annual caps							
<i>RMB 'million</i>	N/A	N/A	N/A	N/A	1,000	1,000	1,000
<i>HK\$ 'million</i> <i>(approximately)</i>	N/A	N/A	N/A	N/A	1,240	1,240	1,240

The proposed annual cap has been determined with reference to the historical monthly sales volume and expected purchases estimated by Peking Founder Group under the Master Sales Agreement.

Reasons for and benefits of the Master Sales Agreement

Peking Founder Group has been purchasing information hardware products for its customers in order to establish computer systems, and provide software solutions to its clients. The Board considers that it is beneficial to the Group to supply information hardware products to Peking Founder Group on normal commercial terms, thus broadening its customer and revenue base. The Board considers that the terms of the Master Sales Agreement were arrived at after arm's length negotiations between the parties involved. The Master Sales Agreement was entered into in the ordinary and usual course of business of the Group.

The Directors (excluding the independent non-executive Directors who will express their opinion after receiving advice from the Independent Financial Adviser) consider that the transactions under the Master Sales Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole and that the proposed annual caps for the transactions contemplated under the Master Sales Agreement are fair and reasonable.

Except for Mr Zhang Zhao Dong who is also director of Peking Founder, none of the Directors have any material interest in the Master Purchase Agreement. Mr Zhang Zhao Dong has abstained from voting on the board meeting approving the Master Purchase Agreement.

INFORMATION OF THE GROUP

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

INFORMATION ON FOUNDER INFORMATION AND PEKING FOUNDER GROUP

As at the date of this announcement, the Company is owned as to approximately 57.15% of the issued Shares by Founder Information, which is an associate of Peking Founder. Founder Information is an investment holding company. Peking Founder Group is principally engaged in sales of computer hardware and software and related equipment, communications equipment, instrumentation, office automation equipment; sales of electronic products, self-developed products, computers, software and auxiliary equipment as well as investment management.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is owned as to approximately 57.15% of the issued Shares by Founder Information, which is an associate of Peking Founder. Therefore, Peking Founder is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Master Purchase Agreement and Master Sales Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement exceeds 5% and the consideration for each of the above transactions exceed HK\$10,000,000, each of the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements Chapter 14A of the Listing Rules.

GENERAL

An independent board committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Master Purchase Agreement and the Master Sales Agreement. The Company, with the approval of the independent board committee, has appointed Industrial Securities (HK) Capital Limited as the independent financial adviser to advise the independent board committee and the Independent Shareholders on matters in relation to the Master Purchase Agreement (including the proposed annual caps for three years ending 31 December 2017) and the Master Sales Agreement (including the proposed annual caps for three years ending 31 December 2017) in accordance with the Listing Rules.

The Company will despatch to its shareholders a circular containing further details of each of the Master Purchase Agreement and the Master Sales Agreement, the letters from the independent board committee and the Independent Financial Adviser, and a notice convening the SGM on or before 31 March 2015 in accordance with the Listing Rules. Peking Founder and its associates will abstain from voting at the SGM in respect of the relevant resolutions.

DEFINITIONS

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

“associates”	has the same meaning as ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“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
“connected person(s)”	has the same meaning as ascribed thereto in the Listing Rules
“controlling shareholder”	has the same meaning as ascribed thereto in the Listing Rules
“Director(s)”	the directors of the Company
“Existing Master Purchase Agreement”	a master purchase agreement dated 7 December 2012 entered into between the Company and Peking Founder in relation to purchase of various products
“Existing Master Sales Agreement”	a master sales agreement dated 1 November 2011 entered into between the Company and Peking Founder in relation to supply of certain information hardware products

“Founder Information”	Founder Information (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an associate of Peking Founder
“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 People’s Republic of China
“Independent Financial Adviser”	Industrial Securities (HK) Capital Limited, which has been appointed as the independent financial adviser to advise the independent board committee in relation to (i) the Master Purchase Agreement (including its annual caps for the three years ending 31 December 2017); and (ii) the Master Sales Agreement (including its annual caps for the three years ending 31 December 2017)
“Independent Shareholders”	the shareholders of the Company other than Peking Founder and its respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Master Purchase Agreement”	a master purchase agreement dated 10 March 2015 entered into between the Company and Peking Founder in relation to the purchase of certain software products, systems integration products, software development services, hardware development services and/or systems integration development services until 31 December 2017
“Master Sales Agreement”	a master sales agreement dated 10 March 2015 entered into between the Company and Peking Founder in relation to providing Peking Founder Group with certain information hardware products to Peking Founder until 31 December 2017
“Peking Founder”	北大方正集團有限公司 (Peking University Founder Group Company Limited*), a company established in the PRC with limited liability, the shareholder of Founder Information holding approximately 46.36% of the issued share capital of Founder Information
“Peking Founder Group”	Peking Founder and its subsidiaries
“RMB”	Renminbi, the lawful currency of the PRC

“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and approve, if thought fit, (i) the Master Purchase Agreement (including its annual caps for the three years ending 31 December 2017); and (ii) the Master Sales Agreement (including its annual caps for the three years ending 31 December 2017)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning as ascribed thereto in the Listing Rules
“%”	per cent

By order of the Board of
Peking University Resources (Holdings) Company Limited
Fang Hao
Executive Director

Hong Kong, 10 March 2015

The exchange rate adopted in this announcement for illustration purpose only is RMB1.00 = HK\$1.24.

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.

* *For identification purpose only*