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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 TRANSACTION**

### **TECHNICAL SUPPORT SERVICES AGREEMENT**

On 27 August 2015, the Company entered into the Master Entrusted Management and Consultancy Agreement with 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. As the Directors expect that the service fee under the Master Entrusted Management and Consultancy Agreement for the year ending 31 December 2017 will exceed the proposed annual cap, on 21 July 2017, the Company and PKU Resources Group entered into the Technical Support Services Agreement to replace the Master Entrusted Management and Consultancy Agreement, pursuant to which the Company agreed to provide the Services to PKU Resources Group and its associates for a term up to 31 December 2019.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, PKU Resources Group is the holding company of Founder Information which is the controlling shareholder of the Company. Accordingly, the transactions contemplated under the 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 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 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.

## **GENERAL**

An independent board committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Technical Support Services Agreement. The Company, with the approval of the independent board committee, has appointed Messis Capital Limited as the independent financial adviser to advise the independent board committee and the Independent Shareholders on matters in relation to the Technical Support Services Agreement (including the proposed annual caps for three years ending 31 December 2019) in accordance with the Listing Rules.

The Company will despatch to its shareholders a circular containing further details of the Technical Support Services Agreement, the letters from the independent board committee and the Independent Financial Adviser, and a notice convening the SGM on or before 11 August 2017 in accordance with the Listing Rules. Founder Information will abstain from voting at the SGM in respect of the relevant resolutions.

## **TECHNICAL SUPPORT SERVICES AGREEMENT**

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### **Principal terms of the Technical Support Services Agreement**

The principal terms of the 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 Technical Support Services Agreement
Term:	from the Effective Date to 31 December 2019

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; (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

## 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 Technical Support Services Agreement are as follows:

	<b>Year ended 31 December 2015</b>	<b>Year ended 31 December 2016</b>	<b>Year ending 31 December 2017</b>	<b>Year ending 31 December 2018</b>	<b>Year ending 31 December 2019</b>
<b>Historical figures</b>					
<i>RMB million</i>	5.30	18.76	N/A	N/A	N/A
<i>HK\$ million (approximately)</i>	6.13	21.50	N/A	N/A	N/A
<b>Historical annual caps</b>					
<i>RMB million</i>	40	40	40	N/A	N/A
<i>HK\$ million (approximately)</i>	45.84	45.84	45.84	N/A	N/A
<b>Proposed annual caps</b>					
<i>RMB million</i>	N/A	N/A	100	180	270
<i>HK\$ million (approximately)</i>	N/A	N/A	114.60	206.28	309.42

The scope of the Services of the 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 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 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. The change of basis is due to service fee is charged at the earlier stage of sales contracts to better match with efforts made by the Group.

The proposed annual caps are determined with reference to, among others, (i) the plans of the property development projects of PKU Resources Group; and (ii) the estimated trend of the PRC property market prices for the years from 2017 to 2019. The proposed annual caps for the year ending 31 December 2017 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 of property development projects of PKU Resources Group.

### **Reasons and benefits of the Technical Support Services Agreement**

In an effort to integrate property development projects from PKU Resources Group into the Group and minimize competition between the Company and its controlling shareholders, the 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 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.

For the reasons stated above, the Directors (including the independent non-executive Directors) are of the view that transactions under the Technical Support Services Agreement are fair and reasonable and 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 and Ms. Sun Min are concurrently serving as directors of PKU Resources Group, they have abstained from voting on the resolution considering the Technical Support Services Agreement at the Board meeting of the Company. Saved as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the 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 specialized in real estate development, educational investment, commercial real estate operation, and property operation and management.

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## **GENERAL**

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The Company will despatch to its shareholders a circular containing further details of the Technical Support Services Agreement, the letters from the independent board committee and the Independent Financial Adviser, and a notice convening the SGM on or before 11 August 2017 in accordance with the Listing Rules. Founder Information will abstain from voting at the SGM in respect of the relevant resolutions.

## **Definitions**

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

“associate(s)”	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 under the 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 directors of the Company
“Effective Date”	the effective date of the Technical Support Services Agreement, which is upon the duly execution of the Technical Support Services Agreement by PKU Resources Group and the Company as well as the approval of the Technical Support Services Agreement by the Board
“Founder Information”	Founder Information (Hong Kong) Limited, 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
“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 Technical Support Services Agreement (including its annual caps for the three years ending 31 December 2019)
“Independent Shareholders”	the shareholders of the Company other than Founder Information
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by The Stock Exchange of Hong Kong Limited, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Master 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

“PKU Resources Group”	北大資源集團有限公司 (Peking University Resources Group Co., Ltd.*), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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 the PKU Resources Group under the 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; (vi) other services, as required in the project development, construction, operation and management of property development projects of the PKU Resources Group.
“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 Technical Support Services Agreement (including its annual caps for the three years ending 31 December 2019)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning given to it under the Listing Rules
“Technical Support Services Agreement”	a technical support services agreement dated 21 July 2017 entered into between the Company and PKU Resources Group

By order of the Board of  
**Peking University Resources (Holdings) Company Limited**  
**Cheung Shuen Lung**  
*Chairman*

Hong Kong, 21 July 2017

*As at the date of this announcement, the Board comprises executive Directors of Mr. Cheung Shuen Lung (Chairman), Mr. Zeng Gang (President), Ms. Sun Min, Mr. Shi Hua, Ms. Liao Hang and Mr. Zheng Fu Shuang, and the independent non-executive Directors of Mr. Li Fat Chung, Ms. Wong Lam Kit Yee and Mr. Chan Chung Kik, Lewis*

*For illustrative purpose only, RMB is converted into HK\$ at an exchange rate of RMB1.00 = HK\$1.146 in this announcement.*

*\* For identification purpose only*