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If you are in 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:
THE MASTER PURCHASE AGREEMENT
AND
MASTER SALES AGREEMENT**

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



興證(香港)融資有限公司
INDUSTRIAL SECURITIES (HK) CAPITAL LIMITED

A letter from the board of directors of Peking University Resources (Holdings) Company Limited is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee (as defined herein) of the Company is set out on pages 12 to 13 of this circular. A letter from Industrial Securities (HK) Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 30 of this circular.

A notice convening the special general meeting to be held at 10:00 a.m. on Wednesday, 15 April, 2015 at 4/F, Zhongguancun Founder Building, 298 Chengfu Road, Haidian District, Beijing is set out on page 37 to 38 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.

25 March 2015

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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 10 March 2015
“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”	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
“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\$”	mean Hong Kong dollars
“Hong Kong”	means 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 Ms. Cao Qian, formed for the purpose of considering the terms of the Master Purchase Agreement and the Master Sales Agreement and its proposed annual caps and advising and making recommendation to the Independent Shareholders as to how to vote at the SGM
“Independent Shareholders”	Shareholders other than Peking Founder and its associates
“Industrial Securities”	Industrial Securities (HK) Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Master Purchaser Agreement and the Master Sales Agreement and its respective proposed annual caps for the three years ending 31 December 2017
“Latest Practicable Date”	23 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“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 until 31 December 2017

DEFINITIONS

“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 and the shareholder of Founder Information, which holds approximately 46.36% of the issued share capital of Founder Information
“Peking Founder Group”	Peking Founder and its subsidiaries
“PKU Resources Holdings”	北大資源集團控股有限公司 (Peking University Resources Group Holdings Co., Ltd.*), a company established in the PRC with limited liability
“PKU Resources Group”	北大資源集團有限公司 (Peking University Resources Group Co., Ltd.*), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“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 Master Purchase Agreement and the Master Sales Agreement and its proposed annual caps for three years ending 31 December 2017
“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
“%”	per cent.

For illustrative purpose only, RMB is converted into HK\$ at an exchange rate of RMB1=HK\$1.24 in this circular.

** For identification purpose only*

LETTER FROM THE BOARD



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)

Executive Directors:

Ms Yu Li (*Chairwoman*)
Mr Fang Hao (*President*)
Mr Zhou Bo Qin
Mr Zhang Zhao Dong
Mr Xie Ke Hai
Mr Zheng Fu Shuang

Independent non-executive Directors:

Mr Li Fat Chung
Ms Wong Lam Kit Yee
Ms Cao Qian

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

25 March 2015

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

Reference is made to the Announcement in relation to the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement.

The purpose of this circular is to provide you with, among other things, (i) details of the transactions contemplated under of the Master Purchase Agreement and the Master Sales 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 Master Purchase Agreement and the Master Sales Agreement and its respective proposed annual caps; (iii) a letter of advice from Industrial Securities to the Independent Board

LETTER FROM THE BOARD

Committee and the Independent Shareholders in respect of the Master Purchase Agreement and the Master Sales Agreement and its respective proposed annual caps; and (iv) a notice convening the SGM to the Shareholders.

2. CONNECTED RELATIONSHIP

As 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 Rule 14A of the Listing Rules. As such, transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement constitute continuing connected transactions for the Company under the Listing Rules.

3. THE MASTER PURCHASE AGREEMENT

The distribution right of certain information products granted by particular manufacturers to the Group, which was not included in the Existing Master Purchase Agreement, has expired, while Peking Founder Group has been granted the distribution right of such information products since 2014. As a result, the Group is no longer able to purchase certain information products from the particular manufacturers directly and instead the Group needs to purchase such information products from the authorized distributors including the Peking Founder Group. In order to cope with the further expansion and to achieve the growth on the distribution business of the Group, the Group would increase its purchase quantities and introduce new types of information products to its customers, particularly those information products with famous international brands, whereas the Peking Founder Group is the authorized distributor of those international brands. In addition, several subsidiaries of the Group engaged in the business of property development and property investment in the PRC recently plan to purchase systems integration services from Peking Founder Group, so as to set up intelligent and automatic systems in the Group's properties under development. In consideration of the reasons above, upon the expiry of the Existing Master Purchase Agreement, the Group has agreed to enter into the Master Purchase Agreement with the terms and conditions set out therein.

Pursuant to the Master Purchase Agreement, the Group would purchase from Peking Founder Group, which should provide, certain software products, systems integration products, software development services, hardware development services and/or systems integration development services. The Master Purchase Agreement will become effective from the date on which Independent Shareholders' 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.

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

LETTER FROM THE BOARD

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 market prices of most such products were determined with reference to the pre-fixed selling prices provided by the world-wide renowned manufactures as mentioned above. In addition, the purchase procedure that the Group adopts to purchase such products from all the suppliers, be that the Peking Founder Group or Independent Third Parties, are the same. To determine the credit terms of the Master Purchase Agreement, the Group adopted the same procedure as in any purchase transaction involving the Group to determine the credit terms upon comparison of the respective credit terms provided by other potential suppliers in the market. The Group will sign the standardized contract with the relevant suppliers. The procurement management, finance, legal and other relevant departments will use the same assessment criteria to review and approve the Master Purchase Agreement, and ensure that the Group uses the same procedures to make the payment under the Master Purchase Agreement.

Thus, in the view of the adoption of the market prices and the same procedures, including the procedure to determine the credit terms, as aforesaid, the Group is of the opinion that the transactions contemplated under the Master Purchase Agreement are conducted on normal commercial terms and are not prejudicial to the interests of the Group and its minority Shareholders.

The tables below set out the historical figures and the annual caps under the Existing Master Purchase Agreement, and the proposed annual caps under the Master Purchase Agreement:

	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, the substantial increase in the purchase amount for the reasons set out above and subsequent substantial increase in the expected total value of the transactions between the Group and Peking Founder Group under the Master Purchase Agreement.

LETTER FROM THE BOARD

4. 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.

5. THE MASTER SALES AGREEMENT

The Peking Founder Group has been purchasing information hardware products from the Group for its customers in order to establish computer systems and provide software solutions to its clients. Under the Existing Master Sales Agreement for the two financial years 2013 and 2014, there has been a substantial growth of historical sales amounts by the Group to the Peking Founder Group. Therefore, it is expected that the sales of information hardware products to the Peking Founder Group will be further increased in year 2015.

In addition, during 2014, the Group has entered into several new distribution agreements with manufactures, which the Group newly cooperates with, to introduce additional products for its distribution business, such as LG Security Brand and Electrolux Beam. Therefore, the Directors consider that the launch of such new products is expected to further increase the sales amount to the Peking Founder Group for the year 2015. Together with the expected growth in demand of Information products in the PRC, the Group has agreed to enter into the Master Sales Agreement with the terms and conditions set out therein.

Pursuant to the Master Sales Agreement, the Group would 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). The Master Sales Agreement will become effective from the date on which Independent Shareholders' 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.

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

LETTER FROM THE BOARD

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.

When determining the market prices for the sale of such information hardware products, the Group took into account mainly the pre-fixed prices as provided by the manufacturers. The determination of the credit terms was made with reference to the market practice, usually 45 to 90 days, depending on whether the customer is an agent or an integration system provider. The Company will adopt the same pricing formula and credit term determination mechanism applicable to all customers including Peking Founder Group and Independent Third Parties. Other than the above, the sales procedure that the Group adopt to supply such products to all customers, be that Peking Founder Group or Independent Third Parties, are the same. The Group will sign the standardized contract with Peking Founder Group. The sales management, finance, legal and other relevant departments will use the same assessment criteria to review and approve the Master Sales Agreement, and ensure that the Group uses the same procedures to issue invoices.

Thus, in the view of the adoption of the market prices and the same procedures as aforesaid, the Group is of the opinion that the transactions contemplated under the Master Sales Agreement are conducted on normal commercial terms and are not prejudicial to the interests of the Group and its minority Shareholders.

The tables below set out the historical figures and the annual caps under the Existing Master Sales Agreement, and the proposed annual caps under the Master Sales Agreement:

	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

LETTER FROM THE BOARD

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

6. BENEFITS OF THE MASTER SALES AGREEMENT

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. 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 will be 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 Sales Agreement. Mr Zhang Zhao Dong has abstained from voting on the board meeting approving the Master Sales Agreement.

7. 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 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 under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

8. SGM

A notice convening the SGM to be held at 10:00 a.m. on Wednesday, 15 April 2015 at 4/F, Zhongguancun Founder Building, 298 Chengfu Road, Haidian District, Beijing is set out on pages 37 to 38 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the Master Purchase Agreement and the Master Sales 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 Master Purchase Agreement and the Master Sales Agreement are required to abstain from voting with respect to the resolution for approving the Master Purchase Agreement and the Master Sales Agreement and its proposed annual caps.

The ordinary resolution to be proposed at the SGM will be determined by way of poll by the Independent Shareholders. Founder Information and its associates who altogether held 3,422,227,431 issued shares of the Company and controlled the voting rights of such shares, representing approximately 57.15% of the issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting at the SGM in respect of the ordinary resolution. 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.

9. 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 Master Purchase Agreement and the Master Sales Agreement (including the proposed annual caps for the three years ending 31 December 2017).

Industrial Securities has been appointed to advise the Independent Board Committee and the Independent Shareholders respectively on the Master Purchase Agreement and the Master Sales Agreement (including the proposed annual caps for the three years ending 31 December 2017).

The Independent Board Committee, having taken into account the advice of Industrial Securities, is of the view that the transactions contemplated under the Master Purchase Agreement and the Master Sales 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 Master Purchase Agreement and the Master Sales Agreement and the proposed annual caps for the three years ending 31 December 2017 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

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.

10. GENERAL

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

Yours faithfully,
For and on behalf of the Board
Peking University Resources (Holdings) Company Limited
Fang Hao
Executive Director



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)

25 March 2015

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular dated 25 March 2015 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 Master Purchase Agreement and the Master Sales Agreement (including the respective proposed annual caps for the three years ending 31 December 2017) 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 Master Purchase Agreement and the Master Sales Agreement and to recommend how the Independent Shareholders should vote at the SGM. Industrial Securities has been appointed to advise us, the Independent Board Committee in relation to the Master Purchase Agreement and the Master Sales Agreement (including the respective proposed annual caps for the three years ending 31 December 2017).

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 11 of the Circular, and the letter from Industrial Securities to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the Master Purchase Agreement and the Master Sales Agreement (including the respective proposed annual caps for the three years ending 31 December 2017), as set out on pages 14 to 30 of the Circular.

Having taken into account the principal factors and reasons considered by Industrial Securities and its conclusion and advice, we consider that the transactions contemplated under the Master Purchase Agreement and the Master Sales 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 Master Purchase Agreement and the Master Sales Agreement and the respective proposed annual caps for the three years ending 31 December 2017 are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

in favour of the ordinary resolution to be proposed at the SGM to approve the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement and the respective proposed annual caps of such transactions for the three years ending 31 December 2017.

Yours faithfully,
Independent Board Committee

Li Fat Chung
*Independent non-executive
Director*

Wong Lam Kit Yee
*Independent non-executive
Director*

Cao Qian
*Independent non-executive
Director*

LETTER FROM INDUSTRIAL SECURITIES (HK) CAPITAL LIMITED

The following is the full text of the letter of advice from Industrial Securities to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



30/F
AIA Central
1 Connaught Road Central
Hong Kong

25 March 2015

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs,

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

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Master Purchase Agreement and the Master Sales Agreement and the transactions contemplated thereunder, as well as the proposed annual caps for the Master Purchase Agreement and the Master Sales Agreement for each of the three years ending 31 December 2017 (collectively, the “**Proposed Annual Caps**”) thereof, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 25 March 2015, of which this letter forms part. 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 7 December 2012 in respect of the continuing connected transactions contemplated under the Existing Master Purchase Agreement entered into between the Company and Peking Founder which will be expired on 31 December 2015, 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. According to the Board Letter, 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.

Reference is also made to the announcement of the Company dated 1 November 2011 in respect of the continuing connected transactions contemplated under the Existing Master Sales Agreement entered into between the Company and Peking Founder which expired on

LETTER FROM INDUSTRIAL SECURITIES (HK) CAPITAL LIMITED

31 December 2014, 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. According to the Board Letter, the Company has entered into the Master Sales Agreement with Peking Founder on 10 March 2015 for the Group to continue the transaction for such sales of information hardware products.

As at the Latest Practicable Date, the Company is owned as to approximately 57.15% of the issued Shares by Founder Information, which is an associate of Peking Founder. Thus, Peking Founder is a connected person of the Company under Chapter 14A of the Listing Rules. As such, 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. In addition, 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 exceeds HK\$10,000,000, each of the transactions contemplated under the Master Purchase Agreement and the Master Sales Agreement will constitute non-exempt continuing connected transactions for the Company and are subject to, inter alia, the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. Peking Founder and its respective associates will abstain from voting at the SGM in regards to the relevant resolutions.

An Independent Board Committee comprising Mr Li Fat Chung, Ms Wong Lam Kit Yee and Ms Cao Qian (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on whether the terms of the Master Purchase Agreement and the Master Sales Agreement and the transactions contemplated thereunder, as well as the Proposed Annual Caps are in the interests of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote. We, Industrial Securities (HK) 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 interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees in connection with this appointment as the independent financial adviser, no other arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. As such, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules. We have not acted as the independent financial adviser to the Company's other transactions during the last two years.

LETTER FROM INDUSTRIAL SECURITIES (HK) CAPITAL LIMITED

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by 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, representations and opinions which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

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

In formulating our opinion, we consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion, and we have discussed with the management of the Company so as to assess the fairness and reasonableness of the terms of the Master Purchase Agreement and the Master Sales Agreement as well as the respective Proposed Annual Caps. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted any independent investigation into the business and affairs of the Company, Peking Founder or their respective subsidiaries or associates. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date. 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 purpose, without our prior written consent.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders, we have taken the following principal factors and reasons into consideration for each of the transactions under the Master Purchase Agreement and the Master Sales Agreement and the respective Proposed Annual Caps thereof:

1. The Master Purchase Agreement

A. *Background of and Reasons for entering into of the Master Purchase Agreement*

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.

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.

As set out in the Board Letter, pursuant to the Existing Master Purchase Agreement, since 2013, the Group has been purchasing certain software products, systems integration products, software development services, hardware development services and/or systems integration development services (the “**Products and Services**”) from Peking Founder Group for a term of three years ending 31 December 2015. 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.

As advised by the management of the Company, Peking Founder Group is one of the authorized distributor or the sole agent of the Products and Services which are necessary for the distribution business of the Group, while the Group is not the authorized distributor or agent of the Products and Services and thus is not able to directly purchase the Products and Services from the manufacturers. As confirmed by the Directors, Peking Founder Group has various business contracts with the Group and is familiar with the Group’s product and service specifications, and is able to respond quickly and in a cost effective manner to any new specifications that the Group may from time to time request when compared to other authorized distributors or agents or other independent suppliers of the Products and Services.

The Directors 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.

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Having considered that, (i) entering into of the Master Purchase Agreement will enable the Group to maintain its ordinary course of business and the transactions contemplated under the Master Purchase Agreement are in line with the principal business of the Group; (ii) the Master Purchase Agreement is expected to be a continuation and renewal of the Existing Master Purchase Agreement; (iii) the Group is not able to purchase the Products and Services directly from the manufacturers; (iv) Peking Founder Group has established long-term business relationship with the Group such that Peking Founder Group is able to satisfy the Group's demands in an effective way; and (v) the transactions contemplated under the Master Purchase Agreement shall be conducted on an arm's length basis and on normal commercial terms, we are of the view that the entering into of the Master Purchase 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.

B. Principal Terms of the Master Purchase Agreement

Pursuant to the Master Purchase Agreement, Peking Founder Group would, subject to the proposed annual caps thereof, continue to provide the Group with Products and Services on normal commercial terms and a non-exclusive basis. The Group and Peking Founder Group will enter into separate implementation agreements to govern terms and conditions for each purchase of the related Products and Services thereunder.

As set out in the Board Letter, the Group shall purchase the Products and Services pursuant to the Master Purchase Agreement at market prices determined at the relevant time in accordance with the following principles:

- (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.

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As set out in the Board Letter, the market prices of most Products and Services were determined with reference to the pre-fixed selling prices provided by the manufacturers as mentioned above. In addition, the purchase procedure that the Group adopts to purchase such products from all the suppliers, being the Peking Founder Group or independent third party suppliers, are the same. To determine the credit terms of the Master Purchase Agreement, the Group adopted the same procedure as in any purchase transaction involving the Group to determine the credit terms upon comparison of the respective credit terms provided by other potential suppliers in the market. The Group will sign the standardized contract with the relevant suppliers. The procurement management, finance, legal and other relevant departments of the Company will use the same assessment criteria to review and approve the Master Purchase Agreement, and ensure that the Group uses the same procedures to make the payment under the Master Purchase Agreement.

We have discussed with the management of the Company in respect of the prices offered by Peking Founder Group, the management of the Company considered that the prices of the Products and Services purchased from Peking Founder Group should be determined with reference to the selling prices pre-fixed by the manufacturers of the above mentioned international brands. We have obtained and reviewed, on a sample basis, an agreement entered into between Peking Founder Group and the manufacturer of a particular international brand, we note that the respective manufacturer would suggest prices to Peking Founder Group for resale of the products to its customers and as a basis for calculating the net price of Peking Founder Group. In addition, as advised by the management of the Company, it is a market practice that most of the manufacturers have the right to adjust the selling price offered by their authorized distributors/agents if they think the selling price offered by a particular authorized distributor/agent is not reasonable, in order to ensure the market prices of that particular product are comparable.

Shareholders should note that, pursuant to the Master Purchase Agreement, purchase by the Group from Peking Founder Group is on a non-exclusive basis. Accordingly, the Group is not obligated to purchase from Peking Founder Group and would only do so if it is in the commercial interests of the Group, and it does not restrict the Group from purchasing from other suppliers. As such, we are of the view that the Master Purchase Agreement would provide commercial flexibility to the Group to transact with other suppliers in the event that the Group and Peking Founder Group might not be able to agree upon the terms or pricing of the purchase with Peking Founder Group.

We have obtained and reviewed two internal partnership agreements entered into between the Group and Peking Founder Group for different brands of information products (the “**Internal Partnership Agreements**”) and noted that Peking Founder Group undertakes to supply the information products to the Group on the most competitive market prices. The Group will be entitled to claim against Peking Founder Group the pricing differences in the event that the information products are not supplied on the most competitive market prices when compared with the prices offered by the other independent suppliers. In addition, we have also reviewed, on a sample basis, two purchase implementation agreements regarding the Group’s purchase from

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Peking Founder Group and from independent suppliers on the same information products respectively, and we note that purchase of information products from Peking Founder Group is on more favorable terms and in the interests so far as the Company and the Independent Shareholders are concerned.

As stated in the Board Letter, the terms of the Master Purchase Agreement shall become effective from the date on which Independent Shareholders' 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.

In view of the above, we consider that appropriate and sufficient pricing mechanism has been in place to ensure that the transactions contemplated under the Master Purchase Agreement will be conducted on normal commercial terms. And thus, we are of the opinion that the terms of the Master Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Shareholders are concerned.

C. The Proposed Annual Caps for the Purchase from Peking Founder Group

The table below shows (i) the historical figures of the Group's purchase from Peking Founder Group for each of the two years ended 31 December 2013 and the six months ended 30 June 2014; (ii) the historical annual caps for the year ended 31 December 2012 and the historical annual caps for each of the three years ending 31 December 2015 under the Existing Master Purchase Agreement; and (iii) the proposed annual caps for each of the three years ending 31 December 2017 under the Master Purchase Agreement:

	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 (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 (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 (approximately)</i>	N/A	N/A	N/A	N/A	434	434	434

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As stated in the Board Letter, the proposed annual caps in respect of the Master Purchase Agreement for the three years ending 31 December 2017 have been determined with reference to the historical purchase pattern, the substantial increase in the purchase amount and subsequent substantial increase in the expected total value of the transactions between the Group and Peking Founder Group under the Master Purchase Agreement.

The proposed annual caps under the Master Purchase Agreement for each of the three years ending 31 December 2017 are RMB350 million (equivalent to approximately HK\$434 million) respectively, representing an increase of more than 20 times over the historical annual caps of RMB16 million (equivalent to approximately HK\$20 million) for each of the three years ending 31 December 2015 under the Existing Master Purchase Agreement.

In order to consider the fairness and reasonableness of the proposed annual caps under the Master Purchase Agreement for each of the three years ending 31 December 2017, we take into consideration of the following aspects:

- (i) we are advised by the management of the Company that the distribution right of certain information products granted by particular manufacturers to the Group has expired, while Peking Founder Group has been granted the distribution right of such information products since 2014. As such, the Group is no longer able to purchase certain information products from the particular manufacturers directly and instead the Group needs to purchase such information products from the authorized distributors/agents including Peking Founder Group. Accordingly, the Directors believe that the purchase amount by the Group from Peking Founder Group in relation to certain information products of which the Group's distribution right has expired is expected to have a substantial increase for each of the three years ending 31 December 2017.
- (ii) according to the interim report of the Group for the six months ended 30 June 2014 (the "**Interim Report**"), in respect of the prospects on the distribution business of the Group, the Group will focus on the distribution of information products with better trading terms and exploring the more profitable value-added service business. Moreover, the management of the Company will also place stronger emphasis on operating cash flow, stringent control on working capital such as trade receivables and payables and inventory and cost management. The Group will continue to look for alliance with other international information products suppliers and investment opportunities. As discussed in the above section headed "Principal Terms of the Master Purchase Agreement", we note that the Group will be entitled to claim against Peking Founder Group the pricing differences in the event that the information products are not supplied on the most competitive market prices pursuant to the Master Purchase Agreement, which is in line with the business strategy of the Group in respect of the distribution business of information products with better trading terms as disclosed in the Interim Report. In addition, as advised by the management of the Company, in order

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to cope with the further expansion and to achieve the growth on the distribution business of the Group, the Group would need to increase its purchase quantities and introduce new types of information products to its customers, particularly those information products with famous international brands, such as Apple, TE Connectivity AMP NETCONNECT, Microsoft, HP, Cisco and Oracle, which have strong demands and high turnover rate. According to the Internal Partnership Agreements, we noted that Peking Founder Group is the authorized distributor/agent of the aforesaid international brands and the total expected purchase amount of the information products of the aforesaid international brands by the Group from Peking Founder Group is RMB400 million (equivalent to approximately HK\$496 million) (subject to the proposed annual caps under the Master Purchase Agreement) for the period from 1 January 2014 to 31 December 2015. We have also obtained and reviewed the internal procurement plan with the breakdown of the purchase amounts of the Group in relation to the information products of different brands for the year 2015 which is prepared and provided by the Company, and we noted that the total expected purchase amount of information products is around RMB300 million (equivalent to approximately HK\$372 million) for the year 2015;

- (iii) as advised by the management of the Company, in order to cope with the business strategy of the Group on the expansion of its distribution business, the Group will introduce certain information products under new brands additional to the existing brands the Group is selling to its customers, such as TE Connectivity AMP NETCONNECT, Schneider and Simon. Since Peking Founder Group is the authorized distributor of such information products, the Directors expect that the launch of such new information products will further increase the purchase amount from Peking Founder Group for the year 2015;
- (iv) according to the Interim Report, the distribution business of the Group recorded a turnover of approximately HK\$1,661.8 million for the six months ended 30 June 2014, representing an increase of approximately 48.1% as compared to the six months ended 30 June 2013. The segment results recorded a profit of approximately HK\$6.3 million for the six months ended 30 June 2014 and a loss of approximately HK\$22.0 million for the six months ended 30 June 2013. The distribution business of the Group was mainly focused on the distribution of information products such as servers, printers, switches, networking products, storage devices, workstations, optical screen products, video conference host, conference controller, codec and UPS power supply of a number of internationally famed and branded information product manufacturers such as HP, H3C, CommScope, Brocade, Microsoft, Samsung, Corning, Lifesize, Lomega, Kedacom, Avaya and Eaton. The increase in turnover for the six months ended 30 June 2014 was mainly attributable to the launch of new products of existing and new product lines during the period of six months ended 30 June 2014; and

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- (v) as advised by the management of the Company, besides the purchase of information products, the proposed annual caps under the Master Purchase Agreement also include the proposed purchase of the systems integration services from Peking Founder Group. We have discussed with the management of the Company and the management of the Company confirmed that, starting from 2015, several subsidiaries of the Group which are engaged in the business of property development and property investment in the PRC are planning to purchase systems integration services from Peking Founder Group, so as to set up intelligent and automatic systems in the Group's properties under development. We have obtained from the Company a list of expected tenders for the projects relating to the provision of intelligent and automatic systems in the PRC for the year 2015, we noted that the total tender amounts is approximately RMB45 million (equivalent to approximately HK\$55.8 million).

Having considered the above, we are of the view that the proposed annual caps under the Master Purchase Agreement are justifiable.

2. The Master Sales Agreement

A. Background of and Reasons for the Master Sales Agreement

As set out in the Board Letter, pursuant to the Existing Master Sales Agreement, since 2012, 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 for a term of three years ended 31 December 2014. As the Existing Master Sales Agreement expired on 31 December 2014, 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.

As confirmed by the management of the Company, the Group would continue to supply the information hardware products to Peking Founder Group on normal commercial terms and a non-exclusive basis. According to the Board Letter, 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 Directors consider 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.

Having considered that, (i) entering into of the Master Sales Agreement is in line with the principal business and activities of the Group; (ii) the Master Sales Agreement is expected to be a continuation and renewal of the Existing Master Sales Agreement; (iii) the Group has established long-term business relationship with Peking Founder Group and would maintain such business relationship through the Master Sales Agreement; and (iv) the transactions contemplated under the Master Sales Agreement shall be conducted on an arm's length basis and on normal commercial terms, we are

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of the view that the entering into of the Master Sales 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.

B. Principal Terms of the Master Sales Agreement

Pursuant to the Master Sales Agreement, the Group would, subject to the proposed annual caps thereof, 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. The Group and Peking Founder Group will enter into separate implementation agreements to govern terms and conditions for each sales of the related information hardware products thereunder.

As set out in the Board Letter, the Group shall provide such information hardware products pursuant to the Master Sales Agreement at market prices determined at the relevant time in accordance with the following principles:

- (iv) 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
- (v) 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
- (vi) 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.

As set out in the Board Letter, when determining the market prices for the sale of such information hardware products, the Group took into account mainly the pre-fixed prices as provided by the manufacturers. The determination of the credit terms was made with reference to the market practice, usually 45 to 90 days, depending on whether the customer is an agent or an integration system provider. The Company will adopt the same pricing formula and credit term determination mechanism applicable to all customers including Peking Founder Group and independent third party customers. Other than the above, the sales procedure that the Group adopt to supply such products to all customers, being Peking Founder Group or independent third party customers, are the same. The Group will sign the standardized contract with Peking Founder Group. The sales management, finance, legal and other relevant departments will use the same assessment criteria to review and approve the Master Sales Agreement, and ensure that the Group uses the same procedures to issue invoices.

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We have discussed with the management of the Company in respect of the prices offered by the Group to its customers, the management of the Company confirmed that the prices of most of the information hardware products provided by the Group were taken into account the selling prices pre-fixed by the manufacturers of the information hardware products. We have obtained and reviewed, on a sample basis, several distribution agreements entered into between the Group and the respective manufacturers, we note that respective manufacturers had the right to adjust the selling price offered by the Group, if they thought the offered selling price was not reasonable, in order to ensure the market prices of that particular product are comparable.

Shareholders should note that, pursuant to the Master Sales Agreement, sales by the Group to Peking Founder Group is on a non-exclusive basis. Accordingly, the Group is not obligated to transact with Peking Founder Group and would only do so if it is in the commercial interests of the Group, and it does not restrict the Group from selling to other customers. As such, we are of the view that the Master Sales Agreement would provide commercial flexibility to the Group to transact with other customers in the event that the Group and Peking Founder Group might not be able to agree upon the terms or pricing of the sales with Peking Founder Group.

As stated in the Board Letter, the terms of the Master Sales Agreement shall become effective from the date on which Independent Shareholders' 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.

In assessing the fairness and reasonableness of the terms of the transactions contemplated under the Master Sales Agreement, we have obtained and reviewed, on a sample basis, two sales implementation agreements entered into by the Group with Peking Founder Group and with the other independent customers on the same product respectively, we note that their principal terms, including pricing basis and credit terms, are similar and comparable with each other.

In view of the above, we consider that appropriate and sufficient pricing mechanism has been in place to ensure that the transactions contemplated under the Master Sales Agreement will be conducted on normal commercial terms. Thus we are of the opinion that the terms of the Master Sales Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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C. The Proposed Annual Caps for the Sales to Peking Founder Group

The table below shows (i) the historical figures of the Group's sales to Peking Founder Group for each of the two years ended 31 December 2013 and the six months ended 30 June 2014; (ii) the historical annual caps for each of the three years ended 31 December 2014 under the Existing Master Sales Agreement; and (iii) the proposed annual caps for each of the three years ending 31 December 2017 under the Master Sales Agreement:

	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 (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 (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 (approximately)</i>	N/A	N/A	N/A	N/A	1,240	1,240	1,240

As stated in the Board Letter, the proposed annual caps under the Master Sales Agreement for the three years ending 31 December 2017 have been determined with reference to the historical monthly sales volume and increase in the expected purchases estimated by Peking Founder Group under the Master Sales Agreement.

As shown in the above table, the proposed annual caps under the Master Sales Agreement for each of the three years ending 31 December 2017 are RMB1,000 million (equivalent to approximately HK\$1,240 million) respectively, representing an increase of approximately 40.31% over the historical annual caps of RMB712.702 million (equivalent to approximately HK\$900.143 million) for each of the three years ended 31 December 2014 under the Existing Master Sales Agreement.

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In order to consider the fairness and reasonableness of the proposed annual caps under the Master Sales Agreement for each of the three years ending 31 December 2017, we take into consideration of the following aspects:

- (i) the historical sales to Peking Founder Group for the year ended 31 December 2013 amounted to RMB137.0 million (equivalent to approximately HK\$173.0 million), representing an increase of approximately 167.58% as compared to the historical sales to Peking Founder Group for the year ended 31 December 2012. As stated in the Board Letter, the historical sales to Peking Founder Group for the six months ended 30 June 2014 was RMB80.6 million (equivalent to approximately HK\$101.5 million). We have obtained and reviewed the internal financial information provided by the Company in relation to the historical monthly sales amount to Peking Founder Group for the full year 2014, we noted that the historical sales to Peking Founder Group for the year ended 31 December 2014 has a substantial increase when compared with the previous year. As advised by the management of the Company, due to the restructuring of Peking Founder Group in year 2012, the business between the Group and Peking Founder Group, including the sales of information hardware products to Peking Founder Group under the Existing Master Sales Agreement, was adversely affected. As such, the increase in sales to Peking Founder Group for the two years 2013 and 2014 was mainly due to the recovery of business between the Group and Peking Founder Group after the restructuring of Peking Founder Group, and thus the Directors consider that the sales of information hardware products to Peking Founder Group will be further increased in year 2015;
- (ii) as advised by the management of the Company, the Group discussed the proposed annual caps with the management of the Peking Founder Group, and estimated the sales amount of information hardware products under the Master Sales Agreement with reference to the expected demand from Peking Founder Group for the year ending 31 December 2015. We are also advised by the management of the Company that, based on the internal procurement plan provided by Peking Founder Group, Peking Founder Group plans to procure information hardware products of approximately RMB8.2 million from the Group for the year ending 31 December 2015;
- (iii) since the Peking Founder Group has been purchasing information hardware products from the Group for its customers in order to establish computer systems and provide software solutions to its clients, we make reference to the information available from the public domains relating to information communication technology (ICT) industry in the PRC. We note from an article released on 6 January 2015 by International Data Corporation, an independent provider of advisory services for the ICT industry, it is estimated that the market value of ICT industry in the PRC will reach US\$465.6 billion in 2015, representing an increase of approximately 11.4% as compared to 2014. In addition, according to National Bureau of Statistics of China, from 2004 to 2013, the nominal gross domestic product (GDP) of PRC grew at a compound annual growth rate (CAGR) of approximately

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15.5% from RMB16,071.44 billion to RMB58,801.88 billion. The management of the Company advised that the relatively stable growth rate in PRC economy and the economic structural adjustment and reform carried out by the PRC government will provide a sound macro-economic environment, from which the ICT industry will be further expanded in the future years;

- (iv) as advised by the management of the Company, during 2014, the Group has entered into several new distribution agreements with manufactures of certain information hardware products, with whom the Group newly cooperates, to introduce additional products for its distribution business, such as LG Security Brand and Electrolux Beam. Therefore, the Directors consider that the launch of such new products is expected to further increase the sales amount to Peking Founder Group for the year 2015; and
- (v) as disclosed in the Interim Report and as confirmed by the management of the Company that the related information hardware products distributed by the Group under the Master Sales Agreement are sourced from internationally famed and branded information products manufacturers, such as HP, H3C, CommScope, Brocade, Microsoft, Samsung, Corning, Lifesize, Iomega, Kedacom, Avaya and Eaton. Taken into consideration that (a) product cycles of information hardware products are relatively short; (b) information hardware products manufacturers need to launch new products continuously to maintain their market shares and competitiveness as information technology has been evolving constantly; and (c) the schedules of information hardware products manufacturers in launching new information hardware products and market's responses to such new information hardware products are beyond the control of the Group, it is not feasible for the Group to estimate the growth of its distribution business precisely during the three years ending 31 December 2017 under the Master Sales Agreement, and therefore, the Directors consider that reserving certain buffer would be necessary to respond to any sudden increase in the demand for information hardware products contemplated under the Master Sales Agreement.

Taking into account of the above, in particular, (i) the substantial growth of historical sales amounts by the Group to Peking Founder Group under the Existing Master Sales Agreement; (ii) estimation from Peking Founder Group on its purchase plan of information hardware products for the year ending 31 December 2015; and (iii) the expected growth in the ICT industry in PRC in 2015, we are of the view that the proposed annual caps under the Master Sales Agreement are justifiable. However, Shareholders should note that the proposed annual caps under the Master Sales Agreement relate to future events and do not represent a forecast of revenue to be generated from the supply of information hardware products.

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3. Listing Rules Implications on the Master Purchase Agreement and the Master Sales Agreement

As at the Latest Practicable Date, 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 exceeds 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 under Chapter 14A of the Listing Rules. Peking Founder and its respective associates will abstain from voting at the SGM in respect of the relevant resolutions in relation to the Master Purchase Agreement and the Master Sales Agreement as well as the respective Proposed Annual Caps thereof.

RECOMMENDATION

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

Yours faithfully,

For and on behalf of

Industrial Securities (HK) Capital Limited

Leung Kin Cheong, Laurent Lu Ting Pong, Johnny

General Manager

Director

Mr. Leung Kin Cheong, Laurent is a licensed person and the principal and the responsible officer of Industrial Securities (HK) Capital Limited registered with the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over ten years of experience in corporate finance industry.

LETTER FROM INDUSTRIAL SECURITIES (HK) CAPITAL LIMITED

Mr. Lu Ting Pong, Johnny is a licensed person and the responsible officer of Industrial Securities (HK) Capital Limited registered with the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over ten 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 as contained in Appendix 10 to the Listing Rules, were as follows:

(a) Long positions in the 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 <i>(Note)</i>	Total	
Mr Zhang Zhao Dong	14,470,050	–	14,470,050	0.24%
Mr Zheng Fu Shuang	200,019,000	584,984,000	785,003,000	13.11%
Mr Xie Ke Hai	10,514,050	–	10,514,050	0.18%

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

(b) Directors' rights to acquire shares in the Company and any of its associated corporations*Directors' interests in share options of the Company*

Name of Directors	Number of share options held	Date of grant of share options	Exercise period of share options	Exercise price of share options
Ms Yu Li	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Mr Fang Hao	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Mr Zhou Bo Qin	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Mr Zhang Zhao Dong	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Mr Xie Ke Hai	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910

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 2013, 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

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, the following persons had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3

of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Notes	Capacity and nature of interest	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*)	1	Through a controlled corporation	3,850,134,407	64.29%
PKU Resources Group	2	Through a controlled corporation	3,850,134,407	64.29%
PKU Resources Holdings	3	Through a controlled corporation	3,850,134,407	64.29%
Peking Founder	4	Through a controlled corporation	3,850,134,407	64.29%
Founder Information	5	Directly beneficially owned	3,850,134,407	64.29%
Zheng Fu Shuang	6	Through a controlled corporation	785,003,000	13.11%
Shine Crest Group Limited	7	Through a controlled corporation	584,984,000	9.77%
Starry Nation Limited		Directly beneficially owned	584,984,000	9.77%
Rongtong Fund Management Co. Ltd.	8	Through a controlled corporation	575,076,000	9.60%
Rongtong Ronghai No. 10 SNIA QDII		Directly beneficially owned	575,076,000	9.60%

* For identification purpose only

Notes:

1. Peking University Asset Management Company Limited is deemed to be interested in the 3,850,134,407 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 3,850,134,407 shares of the Company under the SFO by virtue of its interest in PKU Resources Holdings.
3. PKU Resources Holdings is deemed to be interested in the 3,850,134,407 shares of the Company under the SFO by virtue of its interest in Founder Information.
4. Peking Founder is deemed to be interested in the 3,850,134,407 shares of the Company under the SFO by virtue of its interest in Founder Information.
5. Founder Information is interested in the 3,850,134,407 shares of the Company, out of which 427,906,976 shares are to be allotted and issued upon exercise of convertible bonds.
6. Zheng Fu Shuang is interested in 785,003,000 shares of the Company, out of which 200,019,000 shares are held directly by Zheng Fu Shuang and 584,984,000 shares are held through Starry Nation Limited.
7. 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.
8. 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, as at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, no persons had interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

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

Industrial Securities 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, Industrial Securities 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, Industrial Securities 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 2013, being the date to which the latest published audited consolidated accounts of the Company were made up.

Industrial Securities 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 following contract (not being contract in the ordinary course of business of the Group) has been entered into by members of the Group which is or may be material within the two years immediately preceding the date of this circular:

- (i) the sale and purchase agreement dated 16 September 2014 and entered into among the Company, Beijing Tianranju Technology Co., Ltd., Fine Noble Global Limited, Peking University Resources Group Property Co., Limited, Peking Founder, Founder Information, Starry Realm Limited, Peking University Resources Group Holdings and Peking University Resources Group, pursuant to which the Company and Beijing Tianranju Technology Co., Ltd. have agreed to acquire entire issued shares in Extol High Enterprises Limited, Keen Delight Global Limited, Chongqing Peking University Resources Property Co., Limited, Chengdu Peking University Resources Property Co., Limited, Guiyang Peking University Resources Property Co., Limited and Qingdao Peking University Resources Property Co., Limited at total consideration of HK\$1,934 million, including its amendments and supplemental from time to time;
- (ii) the placing agreement entered into between the Company and DBS Asia Capital Limited dated 30 November 2014;
- (iii) the framework agreement dated 16 February 2015 entered into among Qingdao Boya Huafu Property Co., Limited, CITIC Shenzhen(Group) Co., Limited, Qingdao Bolai Property Co., Limited, the Company, Hong Kong Tianranju Holdings Limited, Tibet Zhao Rong Investment Co., Ltd. and Qingdao Bofu Property Co., Limited, for the sale of 100% equity interest of Qingdao Bolai Property Co., Limited and 100% equity interest of Hong Kong Tianranju Holdings Limited;
- (iv) the sale and purchase agreement dated 16 February 2015 entered into among Qingdao Boya Huafu Property Co., Limited, CITIC Shenzhen(Group) Co., Limited, Qingdao Bolai Property Co., Limited, the Company, Hong Kong Tianranju Holdings Limited, Tibet Zhao Rong Investment Co., Ltd. and Qingdao Bofu Property Co., Limited, for the sale of 100% equity interest of Qingdao Bolai Property Co., Limited; and
- (v) the subsequent sale and purchase agreement dated 10 March 2015 entered into among Qingdao Boya Huafu Property Co., Limited, CITIC Real Estate (Hong Kong) Development Limited, Qingdao Bolai Property Co., Limited, the Company, Hong Kong Tianranju Holdings Limited, Tibet Zhao Rong Investment Co., Ltd. and Qingdao Bofu Property Co., Limited, for the sale of 100% equity interest of Hong Kong Tianranju Holdings Limited.

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 2013, 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 Tang Yuk Bo, Yvonne, FCS, FCIS.

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 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 2013;
- iii. the Master Purchase Agreement;
- iv. the Master Sales Agreement;
- v. the material contract referred to in the paragraph headed "Material contract" in this appendix;
- vi. the letter from the Independent Board Committee, the text of which is set out on pages 12 to 13 of this circular;
- vii. the letter from Industrial Securities, the text of which is set out on pages 14 to 30 of this circular;
- viii. the letter of consent from Industrial Securities referred to in the paragraph headed Expert above; and
- ix. this circular.

NOTICE OF SGM



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)

NOTICE IS HEREBY GIVEN that a special general meeting of Peking University Resources (Holdings) Company Limited (the “Company”) will be held at 10:00 a.m. on Wednesday, 15 April 2015 at 4/F, Zhongguancun Founder Building, 298 Chengfu Road, Haidian District, Beijing for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“THAT:

1. (a) the Master Purchase Agreement (as defined in the circular to the shareholders of the Company dated 25 March 2015) be and is hereby approved;
- (b) the Master Sales Agreement (as defined in the circular to the shareholders of the Company dated 25 March 2015)) be and is hereby approved;
- (c) the proposed annual caps in relation to the transactions contemplated under the Master Purchase Agreement for the three years ending 31 December 2017 be and are hereby approved;
- (d) the proposed annual caps in relation to the transactions contemplated under the Master Sales Agreement for the three years ending 31 December 2017 be and are hereby approved; and
- (e) 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 Master Purchase Agreement and the Master Sales Agreement and the transactions contemplated thereunder.”

NOTICE OF SGM

2. (a) the Framework Agreement, the Sale and Purchase Agreement, the Subsequent Sale and Purchase Agreement, and the transactions contemplated thereunder be and are hereby approved; and
- (b) 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 Framework Agreement, the Sale and Purchase Agreement, the Subsequent Sale and Purchase Agreement, and the transactions contemplated thereunder.”

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

Hong Kong, 25 March 2015

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. Please refer to the circular of the Company dated 25 March 2015 in relation to the Disposal of 100% Equity Interest in Qingdao Bolai and 100% Equity Interest in Hong Kong Tianranju for further details.
4. 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.
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 first ordinary resolution (1.(a)(b)(c)(d)(e)).
6. At the meeting (or at any adjournment thereof), the Chairman of the meeting put each of the above resolutions 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 HongKong Exchanges and Clearing Limited at www.hkexnews.hk following the meeting.