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北大资源
PKU RESOURCES

Peking University Resources (Holdings) Company Limited

北大资源（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00618)

CONNECTED TRANSACTION
FORMATION OF JOINT VENTURE COMPANY

The Board is pleased to announce that the Tianjin Company, a subsidiary of the Company, Science Park Company and Li Hu Company entered into the Joint Venture Agreement on 20 August 2014 pursuant to which Tianjin Company, Science Park Company and Li Hu Company will form the Joint Venture Company to undertake development of real estate property in Tianjin, the PRC.

Pursuant to the Joint Venture Agreement, Tianjin Company, Science Park Company and Li Hu Company have agreed to establish a Joint Venture Company which will be owned as to 61% by Tianjin Company, 9% by Science Park Company and 30% by Li Hu Company. Upon the Formation of Joint Venture Company, the Joint Venture Company will become a non wholly-owned subsidiary of the Company and the accounts of which will be consolidated with the accounts of the Company.

Science Park Company is a connected person of the Company by virtue of it being a non wholly-owned subsidiary of a substantial shareholder of the Company. The Formation of Joint Venture Company would therefore constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that the applicable Percentage Ratios in respect of the Formation of Joint Venture Company are less than 5%, the Formation of Joint Venture Company constitute a connected transaction exempt from the independent shareholder's approval requirements and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

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Pursuant to the Joint Venture Agreement, Tianjin Company, Science Park Company and the Li Hu Company have agreed to establish a Joint Venture Company which will be owned as to 61% by Tianjin Company, 9% by Science Park Company and 30% by Li Hu Company. Upon the Formation of Joint Venture Company, the Joint Venture Company will become a non wholly-owned subsidiary of the Company and the accounts of which will be consolidated with the accounts of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Li Hu Company is an Independent Third Party of the Company and Science Park Company is a connected person of the Company.

THE JOINT VENTURE AGREEMENT

1. Date 20 August 2014

2. Parties

- (i) Tianjin Company;
- (ii) Science Park Company; and
- (ii) Li Hu Company

3. Formation of Joint Venture Company

Pursuant to the Joint Venture Agreement, Tianjin Company, Science Park Company and the Li Hu Company have agreed to establish a Joint Venture Company which will be owned as to 61% by Tianjin Company, 9% by Science Park Company and 30% by Li Hu Company. Upon the Formation of Joint Venture Company, the Joint Venture Company will become a non wholly-owned subsidiary of the Company and the accounts of which will be consolidated with the accounts of the Company.

4. Capital Commitment

The aggregate capital commitment (whether equity, loan or otherwise and including any contractual commitment to subscribe for capital and any guarantee or indemnity) to be provided by Tianjin Company, Science Park Company and Li Hu Company for the Formation of Joint Venture Company under the Joint Venture Agreement shall be RMB50 million (approximately HK\$62.15 million), which is equivalent to the registered capital of the Joint Venture Company, of which RMB30.5 million (approximately HK\$37.91 million) will be provided by Tianjin Company, RMB4.5 million (approximately HK\$5.59 million) will be provided by Science Park Company and RMB15 million (approximately HK\$18.65 million) will be provided by Li Hu Company.

The respective capital commitment of Tianjin Company, Science Park Company and Li Hu Company under the Joint Venture Agreement is proportional to their respective shareholdings in the Joint Venture Company and was determined after arm's length negotiation among Tianjin Company, Science Park Company and Li Hu Company, with reference to the estimated capital requirement of the operation of the Joint Venture Company. The respective capital commitment of each party shall be paid prior to the Formation of Joint Venture Company.

The capital commitment of Tianjin Company in relation to the Formation of Joint Venture Company is expected to be funded by loan from substantial shareholder of the Company.

REASONS FOR THE FORMATION OF JOINT VENTURE COMPANY

In order to enhance its position in the property market under the important national strategy of Integration of Jing-Jin-Ji (京津冀一體化), the Board believes that the Formation of Joint Venture Company will enable Tianjin Company to enjoy preferential policy environment of Dongli Lake District and the opportunities to attract the research institutions of Peking University and other reputable companies.

The Directors (including the independent non-executive Directors) are of the view that the Formation of Joint Venture Company contemplated under the Joint Venture Agreement is fair and reasonable and on normal commercial terms and the Formation of Joint Venture Company is in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

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

Tianjin Company is principally engaged in property development and property investment in the PRC.

Science Park Company is principally engaged in construction and development of Peking University Science Park.

Li Hu Company is principally engaged in investment in construction projects in the PRC.

LISTING RULES IMPLICATIONS

Given that the applicable Percentage Ratios in respect of the Formation of Joint Venture Company are less than 5%, the Formation of Joint Venture Company constitute a connected transaction exempt from the independent shareholder's approval requirements and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

No Director has a material interest in the Formation of Joint Venture Company. The Directors are of the view that the Formation of Joint Venture Company contemplated under the Joint Venture Agreement is fair and reasonable and on normal commercial terms and the Formation of Joint Venture Company is in the interests of the Company and its Shareholders as a whole. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Li Hu Company is an Independent Third Party of the Company and Science Park Company is a connected person of the Company.

DEFINITIONS

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

“associates”	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
“Directors”	directors of the Company
“Li Hu Company”	Tianjin Li Hu Investment & Development Company Limited* (天津市麗湖投資發展有限公司), a company incorporated in the PRC with limited liability
“Formation of Joint Venture Company”	the formation of the Joint Venture Company by Tianjin Company, Science Park Company and Li Hu Company pursuant to the Joint Venture Agreement
“Group”	the Company and its subsidiaries
“HK\$”	means Hong Kong dollars
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	parties who are independent of and not connected with the Directors, chief executive and substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Joint Venture Agreement”	the joint venture agreement entered into between Tianjin Company, Science Park Company and Li Hu Company on 20 August 2014
“Joint Venture Company”	the joint venture company to be formed by Tianjin Company, Science Park Company and Li Hu Company pursuant to the Joint Venture Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange

“Percentage Ratios”	the “percentage ratios” as defined in rule 14A.10(10) of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Science Park Company”	Peking University Science Park Construction & Development Company Limited* (北京北大科技園建設開發有限公司), a company incorporated in the PRC with limited liability, a non wholly-owned subsidiary of a substantial shareholder of the Company
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Tianjin Company”	Tianjin Peking University Resources Real Estate Company Limited* (天津市北大資源置業有限公司), a company incorporated in the PRC with limited liability, a 70% owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 20 August 2014

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

* For identification purpose only