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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)

**(1) PROPOSED ISSUE OF THE CONSIDERATION SHARES,
THE ADDITIONAL SHARES AND THE PLACEMENT SHARES
UNDER SPECIFIC MANDATE AND CONNECTED TRANSACTION AND
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

Placing agent to the Company



We refer to the Company's announcement dated 16 September 2014 in relation to, among others, the Acquisition (the "**Announcement**"). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Announcement.

THE ACQUISITION

On 16 September 2014, the Purchasers and the Vendors, together with other Guarantors, entered into the S&P Agreement, pursuant to which the Purchasers have conditionally agreed to purchase the Sale Shares from the Vendors for a total consideration of HK\$1,934 million, including HK\$1,361 million for the Offshore Acquisition and HK\$573 million for the Onshore Acquisition.

For the purpose of, among others, satisfying the Consideration with the Issue Price currently expected to be not less than HK\$0.65 per Share and not more than HK\$0.85 per Share, the Company plans to issue an aggregate of not more than 6,052,307,690 new Shares under a specific mandate (the "**Specific Mandate**") to be obtained from the Independent Shareholders at the SGM, including:

- (a) issuing the Consideration Shares to Founder Information, at the Issue Price with the amount of HK\$1,361 million for the purpose of satisfying the consideration for the Offshore Acquisition;

- (b) in case Founder Information may wish to subscribe more Shares to maintain its controlling stake over the Company, Founder Information will pay for such Additional Shares with the amount of not more than HK\$573 million in cash and the cash proceeds from such subscription will be used by the Company to partially or fully satisfy the consideration for the Onshore Acquisition; and
- (c) placing the Placement Shares with the total amount of not more than HK\$2 billion pursuant to the Placing Agreement, out of which Placement Shares with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) may be placed to Mr. Zheng and the remaining Placement Shares would be placed to independent institutional and professional investors. In relation to the proceeds from the placing of Placement Shares, subject to the amount of Additional Shares to be issued to Founder Information, part of the cash proceeds would be used to partially satisfy the Consideration for the Onshore Acquisition and the remaining will be retained by the Company to replenish its working capital and for general corporate use.

The Issue Price will be determined as soon as practicable before or after the Independent Shareholders approve the Acquisition. An announcement will be published by the Company as soon as practicable once the Issue Price is fixed.

CONNECTED TRANSACTION

To show his confidence in and support for the Company, Mr. Zheng, an executive Director of the Company, will participate in the placing of the Placement Shares at the Issue Price with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) pursuant to the terms and conditions of the issuance.

Since Mr. Zheng is a connected person of the Company under the Listing Rules, his participation in the proposed issuance of Placement Shares (if materialised) will constitute a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to, among other things, approval by the Independent Shareholders at the SGM. Those who are involved in or materially interested in the Connected Placing, Mr. Zheng together with his associates, will abstain from voting at the SGM in respect of the resolution regarding the Connected Placing.

Each of the Acquisition, the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares and the allotment and issuance of Placement Shares to independent institutional and professional investors will be inter-conditional upon each other. For the avoidance of doubt, the possible placement of Placement Shares with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) to Mr. Zheng will not constitute a condition for each of the Acquisition, the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares or the allotment and issuance of Placement Shares to independent institutional and professional investors.

Pursuant to the Placing Agreement, the Placing Agent has agreed, subject to the terms and conditions of the Placing Agreement, to act as agent for the Company, on a best efforts basis only, to procure (by itself or through its affiliate(s) or sub-placing agent(s)), places to subscribe for the Placement Shares at the Issue Price. The minimum public float of 25% will be maintained upon Completion.

The net proceeds from the placing of Placement Shares are estimated to be approximately HK\$1,927 million (assuming an Issue Price of HK\$0.75 per Share which is the mid-point of the proposed Issue Price range and 2,666,666,666 Placement Shares are to be issued).

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company was HK\$300,000,000 divided into 3,000,000,000 Shares, of which 2,397,970,318 Shares had been issued and allotted as fully paid.

In order to facilitate the proposed issuance of Consideration Shares, Additional Shares and Placement Shares under the Specific Mandate and to provide for future expansion in the share capital of the Company, the Directors propose that the authorised share capital of the Company will be increased from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$1,500,000,000 divided into 15,000,000,000 Shares by the creation of an additional 12,000,000,000 Shares, which will rank pari passu with all existing Shares.

The increase in authorised share capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

GENERAL

The Consideration Shares, the Additional Shares and the Placement Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the SGM and shall rank pari passu with the Shares then in issue.

An Independent Board Committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Acquisition, the allotment and issuance of the Consideration shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Master Loan Agreement and the Connected Placing. The Company, with the approval of the Independent Board Committee, has appointed Octal Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Acquisition, the allotment and issuance of Consideration shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Connected Placing and the Master Loan Agreement in accordance with the Listing Rules.

The SGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolutions in relation to the Acquisition, the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Connected Placing, the Master Loan Agreement and the increase in authorised share capital. Those who are involved in or interested in the Acquisition, including the Vendors, together with its associates, will abstain from voting at the SGM in respect of the resolutions approving the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Connected Placing and the Master Loan Agreement. Mr. Zheng, together with his associates, will abstain from voting at the SGM in respect of the resolution approving the Connected Placing.

Completion of the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares and the allotment and issuance of Placement Shares is conditional upon, among others, the Specific Mandate having been granted by the Independent Shareholders at the SGM, and the listing of, and permission to deal in, the Consideration Shares, the Additional Shares and the Placement Shares on the Main Board of the Stock Exchange having been granted by the Stock Exchange (and such listing and permission not subsequently being revoked prior to the completion of the allotment and issuance of Consideration Shares, the issuance of Additional Shares and the allotment and issuance of Placement Shares).

WARNING

The Acquisition is subject to a number of conditions including Independent Shareholders' approval, which may or may not be fulfilled. In addition, the Listing Committee's approval to the new listing application made by the Company may or may not be granted. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES OF THE COMPANY.

We refer to the Company's announcement dated 16 September 2014 in relation to, among others, the Acquisition (the "**Announcement**"). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Announcement.

The Consideration

The total consideration for the Acquisition is HK\$1,934 million, including HK\$1,361 million for the Offshore Acquisition and HK\$573 million for the Onshore Acquisition. Due to the relevant PRC regulations regarding foreign exchanges, the Onshore Acquisition shall be satisfied in cash.

For the purpose of, among others, satisfying the Consideration with the Issue Price currently expected to be not less than HK\$0.65 per Share and not more than HK\$0.85 per Share, the Company plans to issue an aggregate of not more than 6,052,307,690 new Shares under a specific mandate to be obtained from the Independent Shareholders at the SGM, including:

- (a) issuing the Consideration Shares to Founder Information, at the Issue Price with the amount of HK\$1,361 million for the purpose of satisfying the consideration for the Offshore Acquisition;
- (b) in case Founder Information may wish to subscribe more Shares to maintain its controlling stake over the Company, Founder Information will pay for such Additional Shares with the amount of not more than HK\$573 million in cash and the cash proceeds from such subscription will be used by the Company to partially or fully satisfy the consideration for the Onshore Acquisition; and
- (c) placing the Placement Shares with the total amount of not more than HK\$2 billion pursuant to the Placing Agreement, out of which Placement Shares with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) may be placed to Mr. Zheng and the remaining Placement Shares would be placed to independent institutional and professional investors. In relation to the proceeds from the placing of the Placement Shares, subject to the amount of Additional Shares to be issued to Founder Information, part of the cash proceeds would be used to partially satisfy the Consideration for the Onshore Acquisition and the remaining will be retained by the Company to replenish its working capital and for general corporate use.

The Issue Price will be determined as soon as practicable before or after the Independent Shareholders approve the Acquisition. An announcement will be published by the Company as soon as practicable once the Issue Price is fixed.

CONNECTED TRANSACTION

To show his confidence in and support for the Company, Mr. Zheng, an executive Director of the Company, will participate in the placing of Placement Shares at the Issue Price with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) pursuant to the terms and conditions of the issuance. For the avoidance of doubt, neither the Company nor the Placing Agent is obliged to satisfy Mr. Zheng's proposed subscription. The Issue Price will be fixed by a book-building process to generate the highest possible price which can also fulfil the book orders. The basis of allocation amongst the subscribers whose orders satisfy the Issue Price may vary, which often takes into consideration of factors such as, the strategic relationship of the subscriber with the Company, the market reputation of the subscriber and the public float of the Company. That means some subscribers may receive a higher allocation than others who have proposed to subscribe the same number of Placement Shares, and some subscribers may not receive any Placement Shares.

To the knowledge of the Company as notified by the directors pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), set out below are the interests or short positions (if applicable) held by Mr. Zheng in the Company as at the date of this announcement:

Long positions in ordinary shares of the Company:

Name of director	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Mr. Zheng Fu Shuang	Directly beneficially owned	200,019,000	8.34

Save as disclosed above, as at the date of this announcement, Mr. Zheng and his associates do not have 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.

Save as its directorship in the Company, Mr. Zheng does not hold any directorships or roles in Founder Information and its associates.

Since Mr. Zheng is a connected person of the Company under the Listing Rules, his participation in the proposed issuance of Placement Shares (if materialised) will constitute a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to, among other things, approval by the Independent Shareholders at the SGM. Those who are involved in or materially interested in the Connected Placing, including Mr. Zheng together with his associates, will abstain from voting at the SGM in respect of the resolution regarding the Connected Placing.

The Acquisition and the issuance of Consideration Shares, the issuance of Additional Shares and the issuance of Placement Shares to independent institutional and professional investors will be inter-conditional upon each other. For the avoidance of doubt, the possible placement of Placement Shares with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) to Mr. Zheng will not constitute a condition for the Acquisition, the issuance of Consideration Shares, the issuance of Additional Shares or the issuance of Placement Shares to independent institutional and professional investors.

PLACING

The Company and the Placing Agent entered into the Placing Agreement on 30 November 2014. The net proceeds from the placing of Placement Shares are estimated to be approximately HK\$1,927 million (assuming an Issue Price of HK\$0.75 per Share, which is the mid-point of the proposed Issue Price range and 2,666,666,666 Placement Shares are to be issued). Set out below are the key terms of the Placing Agreement:

- Issuer: the Company
- Placing agent: the Company has appointed DBS Asia Capital Limited as the Placing Agent. The Placing Agent has agreed, subject to the terms and conditions of the Placing Agreement, to act as agent for the Company, on a best efforts basis only, to procure (by itself or through its affiliate(s) or sub-placing agent(s)), placees to subscribe for the Placement Shares at the Issue Price
- Placees: the Placing Agent has informed the Company that it intends to place the Placement Shares at the Issue Price to independent placee(s) (who will be institutional and professional investor(s)) and to Mr. Zheng for an amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million). In the event that the Placement Shares are placed to less than six placees or any of the placees might not be Independent Third Parties, relevant announcement will be made in accordance with the Listing Rules.
- Placement Shares: not more than 3,076,923,076 new Shares
- Issue Price: currently expected to be not less than HK\$0.65 per Share and not more than HK\$0.85 per Share
- The minimum Issue Price of HK\$0.65 per Share under the Placing Agreement represents:
- a discount of approximately 20.7% to the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day of HK\$0.82 per Share;

- a discount of approximately 19.8% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.81 per Share;
- a discount of approximately 13.3% to the average of the closing price of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of approximately HK\$0.75 per Share; and
- a discount of approximately 19.8% to the average of the closing price of the Shares as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day of approximately HK\$0.81 per Share.

The final Issue Price will be arrived at through a book building process and after arm's length negotiations between the Company and the Placing Agent with reference to the price range described above. The Directors consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions and the placing is in the interests of the Company and the Shareholders as a whole.

Conditions precedent:

Completion of the placing of Placement Shares is conditional upon, among other things, the Specific Mandate having been granted by the Independent Shareholders at the SGM, and the listing of, and permission to deal in, the Consideration Shares, the Additional Shares and the Placement Shares on the Main Board of the Stock Exchange having been granted by the Stock Exchange (and such listing and permission not subsequently being revoked prior to the completion of the issuance of Consideration Shares, the issuance of Additional Shares and the issuance of Placement Shares); and the Acquisition becoming unconditional in all respects (except for the completion of the Placing).

Termination of the Placing:

the Placing Agreement is subject to termination by the Placing Agent under certain circumstances and will terminate if the Completion is not consummated by 28 February 2015, or such other date as agreed between the Company and the Placing Agent.

Placing commission:

The Placing Agent will receive a placing commission, in Hong Kong dollars, at 3% of the amount equal to the Placing Price multiplied by the actual number of Placement Shares successfully placed by the Placing Agent (excluding the Placement Shares placed to Mr. Zheng under the Connected Placing); and a discretionary bonus which the Company may consider and decide to pay to the Placing Agent based on the performance of the Placing Agent in connection with the Placing, in Hong Kong dollars, at up to 2% of the amount equal to the Placing Price multiplied by the actual number of Placement Shares successfully placed by the Placing Agent.

Completion: Completion of the Placing shall take place on the Completion Date.

Ranking: The Placement Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issuance of the Placement Shares.

Each of the Acquisition, the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares and the allotment and issuance of Placement Shares to independent institutional and professional investors will be inter-conditional upon each other. For the avoidance of doubt, the possible placement of Placement Shares with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) to Mr. Zheng will not constitute a condition for each of the Acquisition, the issuance of Consideration Shares, the allotment and issuance of Additional Shares or the allotment and issuance of Placement Shares to independent institutional and professional investors.

Ranking of the Consideration Shares, the Additional Shares and the Placement Shares

The Consideration Shares, the Additional Shares and the Placement Shares will rank equally among themselves and pari passu in all respects with the Shares in issue on the date of the allotment and issuance of the Placement Shares.

Specific Mandate

Assuming the Issue Price at the lowest of the price range at HK\$0.65 per Share, the Company would issue 2,093,846,153 Consideration Shares to Founder Information to satisfy the Offshore Acquisition of HK\$1,361 million and issue a maximum of 881,538,461 Additional Shares to Founder Information for not more than HK\$573 million in case Founder Information may wish to subscribe more Shares to maintain its controlling stake over the Company. A maximum of 3,076,923,076 Placement Shares would also be issued for not more than HK\$2 billion.

Assuming the Issue Price at the highest of the price range at HK\$0.85 per Share, the Company would issue 1,601,176,470 Consideration Shares to Founder Information to satisfy the Offshore Acquisition of HK\$1,361 million and issue a maximum of 674,117,647 Additional Shares to Founder Information for not more than HK\$573 million in case Founder Information may wish to subscribe more Shares to maintain its controlling stake over the Company. A maximum of 2,352,941,176 Placement Shares would also be issued for not more than HK\$2 billion.

An aggregate of not more than 6,052,307,690 new Shares, representing the maximum number of Shares that would be issued at the Issue Price at the lowest of the price range of HK\$0.65 per Share, will be issued under a Specific Mandate to be obtained from the Independent Shareholders at the SGM.

The SGM will be convened for the purpose of considering and, if thought fit, passing the resolutions in relation to, among others, the grant of the Specific Mandate to the Board to issue the Consideration Shares, the Additional Shares, and the Placement Shares at the Issue Price and approving the Connected Placing.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares, of which 2,397,970,318 Shares have been issued and allotted as fully paid.

In order to facilitate the proposed issuance of the Consideration Shares, the Additional Shares and the Placement Shares under the Specific Mandate and to provide for future expansion in the share capital of the Company, the Directors propose that the authorised share capital of the Company will be increased from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$1,500,000,000 divided into 15,000,000,000 Shares by the creation of an additional 12,000,000,000 Shares, which will rank pari passu with all existing Shares.

The increase in authorised share capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

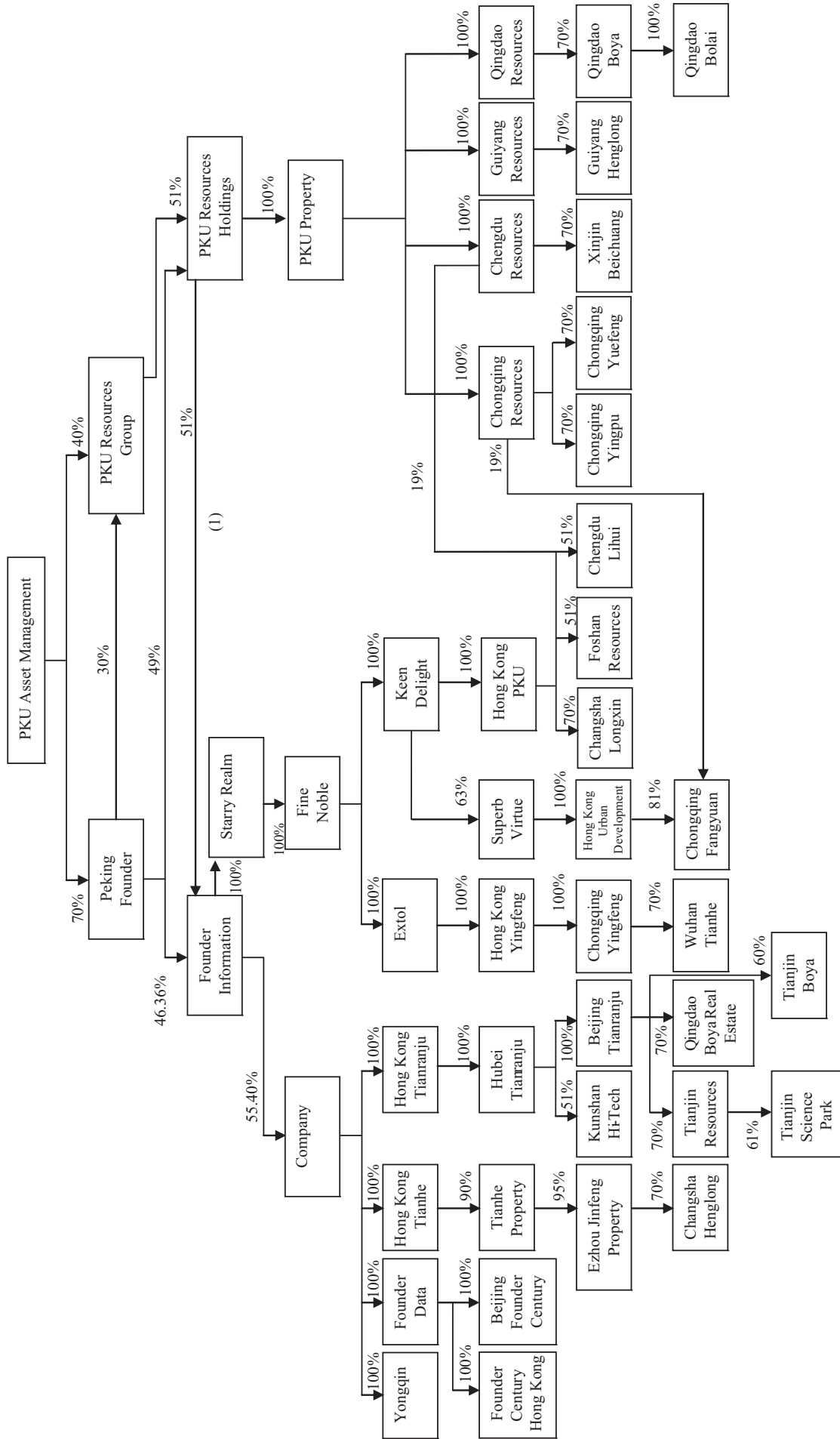
THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Completion, assuming 2,093,846,153 Consideration Shares are issued to Founder Information, 881,538,461 Additional Shares are issued to Founder Information, 2,495,859,925 Placement Shares are issued to independent places and 581,063,151 Placement Shares are issued to Mr. Zheng at Issue Price of HK\$0.65 per Share; (iii) immediately after the Completion, assuming 1,601,176,470 Consideration Shares are issued to Founder Information, 674,117,647 Additional Shares are issued to Founder Information, 1,908,598,766 Placement Shares are issued to independent places and 444,342,410 Placement Shares are issued to Mr. Zheng at Issue Price of HK\$0.85 per Share; and (iv) none of the outstanding share options of the Company will be exercised:

	As at the date of this announcement		Immediately after the Completion assuming 2,093,846,153 Consideration Shares are issued to Founder Information, 881,538,461 Additional Shares are issued to Founder Information, 2,495,859,925 Placement Shares are issued to independent places and 581,063,151 Placement Shares are issued to Mr. Zheng at Issue Price of HK\$0.65 per Share		Immediately after the Completion assuming 1,601,176,470 Consideration Shares are issued to Founder Information, 674,117,647 Additional Shares are issued to Founder Information, 1,908,598,766 Placement Shares are issued to independent places and 444,342,410 Placement Shares are issued to Mr. Zheng at Issue Price of HK\$0.85 per Share	
	<i>Number of Shares</i>	<i>Approx. % of total</i>	<i>Number of Shares</i>	<i>Approx. % of total</i>	<i>Number of Shares</i>	<i>Approx. % of total</i>
Founder Information	1,328,381,278	55.40	4,303,765,892	50.93	3,603,675,395	51.29
Directors	203,975,000	8.50	785,038,151	9.29	648,317,410	9.23
Existing public shareholders	865,614,040	36.10	865,614,040	10.24	865,614,040	12.32
New public shareholders	–	–	2,495,859,925	29.54	1,908,598,766	27.16
<i>Public shareholding subtotal</i>	<u>865,614,040</u>	<u>36.10</u>	<u>3,361,473,965</u>	<u>39.78</u>	<u>2,774,212,806</u>	<u>39.48</u>
Total	<u>2,397,970,318</u>	<u>100.00</u>	<u>8,450,278,008</u>	<u>100.00</u>	<u>7,026,205,611</u>	<u>100.00</u>

SHAREHOLDING STRUCTURE OF THE GROUP, THE ACQUIRED GROUP AND THE ENLARGED GROUP

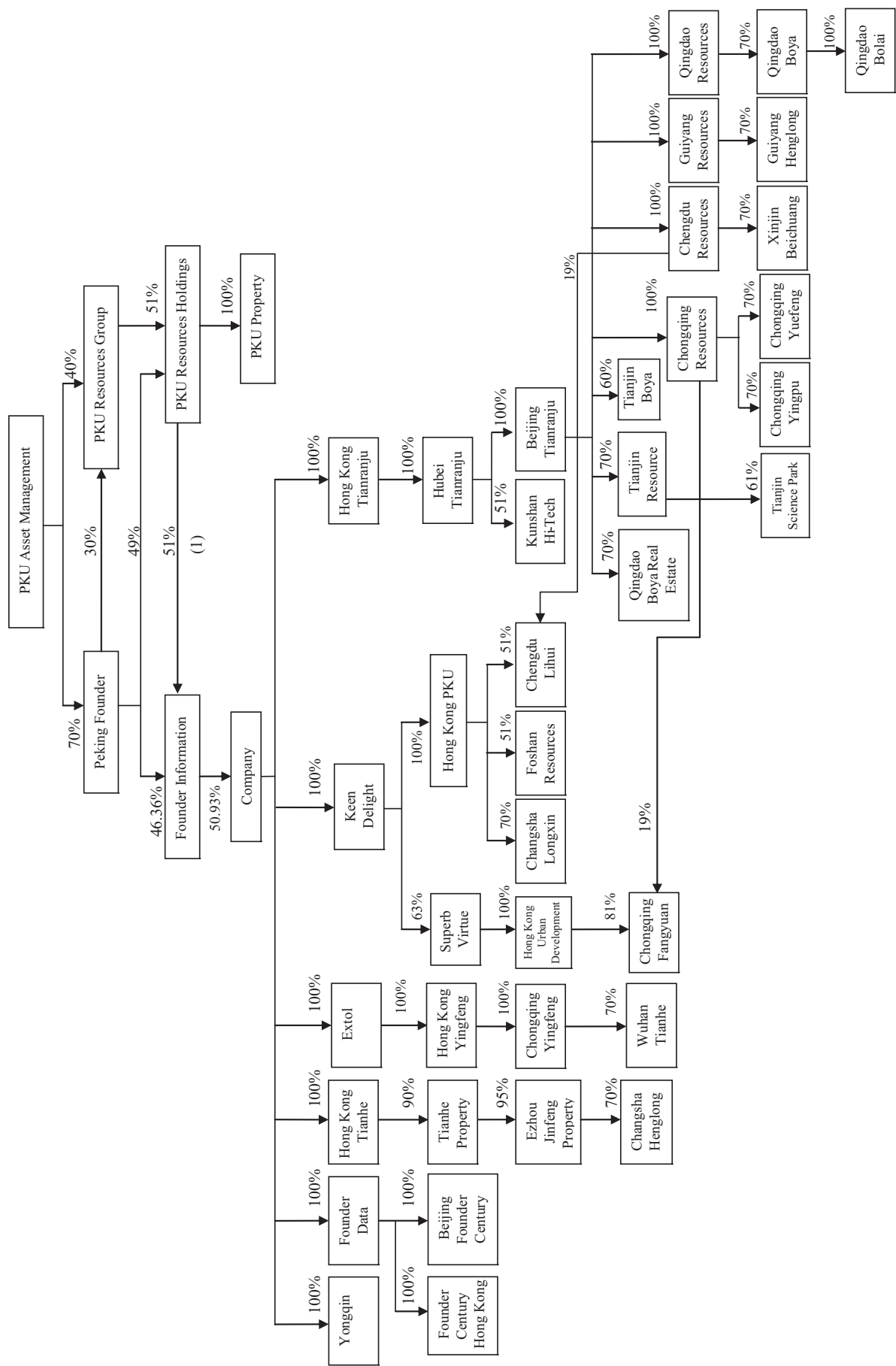
Set out below is the updated corporate structure of the Group and the Acquired Group immediately before Completion:



Note:

(1) Pursuant to a share transfer agreement entered into between Peking Founder and PKU Resources Holdings, PKU Resources Holdings owns 51% equity interests in Founder Information. As at the date of this announcement, the transfer of shares under the share transfer agreement had not been completed.

Set out below is the updated corporate structure of the Enlarged Group immediately after Completion (assuming 2,093,846,153 Consideration Shares are issued to Founder Information, 881,538,461 Additional Shares are issued to Founder Information, 2,495,859,925 Placement Shares are issued to independent placees and 581,063,151 Placement Shares are issued to Mr. Zheng at Issue Price of HK\$0.65 per Share):



Note:

(1) Pursuant to a share transfer agreement entered into between Peking Founder and PKU Resources Holdings, PKU Resources Holdings owns 51% equity interests in Founder Information. As at the date of this announcement, the transfer of shares under the share transfer agreement had not been completed.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company had not undertaken any fund raising activities on any issue of equity securities in the past twelve months before the date of this announcement:

Event	Net proceeds raised	Intended use of net proceeds	Amount utilised as at the date of this announcement and actual use of net proceeds
Placing completed on 23 December 2013 (details of which are set out in the announcement of the Company dated 27 November 2013)	Approximately HK\$260.0 million	Approximately 50% of the net proceeds for the acquisition of new land and the development of new projects; and approximately 50% of the net proceeds for general working capital	Fully utilised in line with the intended use of proceeds

GENERAL

An Independent Board Committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders in connection with the Acquisition, the allotment and issuance of Consideration shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Master Loan Agreement and the Connected Placing. The Company, with the approval of the Independent Board Committee, has appointed Octal Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Acquisition, the allotment and issuance of Consideration shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Connected Placing and the Master Loan Agreement in accordance with the Listing Rules.

The SGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolutions in relation to the Acquisition, the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Connected Placing, the Master Loan Agreement and the increase in authorised share capital. Those who are involved in or interested in the Acquisition, including the Vendors, together with its associates, will abstain from voting at the SGM in respect of the resolutions approving the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares, the allotment and issuance of Placement Shares, the Connected Placing and the Master Loan Agreement. Mr. Zheng, together with his associates, will abstain from voting at the SGM in respect of the resolution approving the Connected Placing.

Completion of the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares and the allotment and issuance of Placement Shares is conditional upon, among others, the Specific Mandate having been granted by the Independent Shareholders at the SGM, and the listing of, and permission to deal in, the Consideration Shares, the Additional Shares and the Placement Shares on the Main Board of the Stock Exchange having been granted by the Stock Exchange (and such listing and permission not subsequently being revoked prior to the completion of the allotment and issuance of Consideration Shares, the issuance of Additional Shares and the allotment and issuance of Placement Shares).

A circular containing, among other things, the allotment and issuance of Consideration Shares, the allotment and issuance of Additional Shares and the allotment and issuance of Placement Shares, particulars of the Connected Placing, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, particulars of the proposed increase in authorised share capital and notice convening the SGM is expected to be despatched to the Shareholders on or before 2 December 2014.

DEFINITIONS

“Additional Shares”	new Shares with the amount of not more than HK\$573 million that may be subscribed by Founder Information to maintain its controlling stake over the Company
“Connected Placing”	the placing of Placement Shares up to an amount of RMB300 million (equivalent to approximately HK\$377.7 million) to Mr. Zheng
“Consideration Shares”	new Shares to be issued to Founder Information on the Completion Date for the purpose of satisfaction of the consideration for the Offshore Acquisition
“Founder Century Hong Kong”	Founder Century (Hong Kong) Limited (方正世紀(香港)有限公司), a company established in Hong Kong with limited liability
“Issue Price”	the price for the issuance of each Consideration Share and each Placement Share which is currently expected to be not less than HK\$0.65 per Share and not more than HK\$0.85 per Share
“Last Trading Day”	28 November 2014
“Listing Committee”	has the meaning given to it under the Listing Rules
“Mr. Zheng”	Mr. Zheng Fu Shuang, executive Director of the Company
“Placement Shares”	new Shares to be issued by the Company pursuant to the Placing Agreement with the total amount of not more than HK\$2 billion, out of which Placement Shares with the amount of not more than RMB300 million (equivalent to approximately HK\$377.7 million) may be placed to Mr. Zheng
“Placing Agent”	DBS Asia Capital Limited
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent on 30 November 2014
“Yongqin”	Yongqin Limited (永勤有限公司), a company established in the BVI with limited liability

WARNING

The Acquisition is subject to a number of conditions including Independent Shareholders' approval, which may or may not be fulfilled. In addition, the Listing Committee's approval to the new listing application made by the Company may or may not be granted. SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES OF THE COMPANY.

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

30 November 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 independent non-executive directors of Mr. Li Fat Chung, Ms. Wong Lam Kit Yee and Ms. Cao Qian.

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

For illustrative purpose only, HK\$ is converted into RMB at an exchange rate of HK\$1 = RMB0.7943 in this announcement.