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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)

MAJOR TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN
KUNMING, THE PRC

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that the Project Company has succeeded in the bid of the land use rights of the Lands offered for sale by Kunming Land Bureau at the Auction for approximately RMB285,547,500 (equivalent to approximately HK\$342,657,000). Pursuant to the notice of the Auction, the Project Company, as successful bidder for the Lands, shall enter into the Construction Agreement and the Resettlement Agreement with KMU in respect the Clinical Teaching Complex and the Resettlement. Based on the illustration document issued by KMU for the purpose of the Auction, the aggregate costs and expenses for the construction of the Clinical Teaching Complex project and the completion of the Resettlement will be approximately RMB1,325,000,000 (equivalent to approximately HK\$1,590,000,000) which will be borne by the Project Company, as successful bidder for the Lands. The Auction Confirmation is expected to be signed on or before 1 September 2015, and the Land Grant Contract is expected to be entered into within 10 working days after signing of the Auction Confirmation.

LISTING RULES IMPLICATIONS

On the basis that the applicable percentage ratios in respect of the Acquisition are greater than 25% while all such ratios are less than 100% for the purposes of Rule 14.07 of the Listing Rules, the Acquisition constitutes a major transaction for the Company under the Listing Rules. The Acquisition is regarded as a Qualified Property Acquisition under Rule 14.04 (10C) of the Listing Rules as it involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under Rule 19A.04 of the Listing Rules) through a tender, auction or listing-for-sale governed by PRC Law (as defined under Rule 19A.04 of the Listing Rules). The Board confirms that the Acquisition is in the Group's ordinary and usual course of business and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Acquisition is subject to reporting and announcement requirements and is exempt from shareholders' approval requirements pursuant to Rule 14.33A of the Listing Rules.

The circular containing the information required under the Listing Rules in relation to the Acquisition will be despatched to the Shareholders as soon as possible, which is expected to be on or before 21 September 2015.

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that the Project Company had succeeded in the bid of the land use rights of the Lands offered for sale by Kunming Land Bureau at the Auction for approximately RMB285,547,500 (equivalent to approximately HK\$342,657,000). Pursuant to the notice of the Auction, the Project Company, as successful bidder for the Lands, shall enter into the Construction Agreement and the Resettlement Agreement with KMU in respect the Clinical Teaching Complex and the Resettlement. Based on the illustration document issued by KMU for the purpose of the Auction, the aggregate costs and expenses for the construction of the Clinical Teaching Complex project and the completion of the Resettlement will be approximately RMB1,325,000,000 (equivalent to approximately HK\$1,590,000,000) which will be borne by the Project Company, as successful bidder for the Lands. The Auction Confirmation is expected to be signed on or before 1 September 2015, and the Land Grant Contract is expected to be entered into within 10 working days after signing of the Auction Confirmation.

PRINCIPAL TERMS OF THE AUCTION CONFIRMATION AND THE ACQUISITION

Expected date of the Auction Confirmation:	On or before 1 September 2015
Expected date of the Land Grant Contract:	Within 10 working days after signing of the Auction Confirmation
Parties to the Auction Confirmation:	(a) Kunming Land & Mining Exchange and (b) Project Company
Parties to the Land Grant Contract:	(a) Kunming Land Bureau and (b) Project Company
Code of the Lands:	KCXS2012-33-A3-1 and KCXS2012-33-A3-2
Location of the Lands:	Affairs Office, Zong Shu Ying Street, Xishan District, Kunming* (昆明市西山區棕樹營街道辦事處)
Site Area:	KCXS2012-33-A3-1: approximately 48,721 sq.m. KCXS2012-33-A3-2: approximately 6,779.07 sq.m.
Term of land use rights:	Residential use: 70 years Commercial use: 40 years

Nature of the land use rights:	Residential and commercial use
Consideration of the Lands:	Approximately RMB285,547,500 (equivalent to approximately HK\$342,657,000)
Expected payment term:	The consideration for the Lands is payable within 30 days from the date of the Auction Confirmation.
Special Conditions:	<p>Pursuant to the notice of the Auction issued by the Kunming Land & Mining Exchange, successful bidder for the Lands have to:</p> <ol style="list-style-type: none"> (1) enter into the Construction Agreement with KMU pursuant to which the successful bidder is responsible for the construction of Clinical Teaching Complex which shall be completed within 30 months after execution of the Land Grant Contract and transferred to KMU upon completion at nil consideration; and (2) enter into the Resettlement Agreement with KMU pursuant to which the successful bidder is responsible for the construction of certain housing units which shall be completed within 30 months after execution of the Land Grant Contract and transferred to KMU upon completion at nil consideration for the purpose of the Resettlement to be arranged by KMU.

Based on the illustration document issued by KMU for the purpose of the Auction, the aggregate costs and expenses for the construction of the Clinical Teaching Complex project and the completion of the Resettlement will be approximately RMB1,325,000,000 (equivalent to approximately HK\$1,590,000,000) which will be borne by the successful bidder for the Lands.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Kunming Land Bureau, Kunming Land & Mining Exchange, KMU and its ultimate beneficial owner is an Independent Third Party.

CONSIDERATION

The total consideration for the Acquisition payable by the Project Company was approximately RMB1,610,547,500 (equivalent to approximately HK\$1,932,657,000) comprising (a) the consideration of the Lands of approximately RMB285,547,500 (equivalent to approximately HK\$342,657,000) which was arrived at after bidding at the Auction and (b) the expected aggregate costs and expenses under the Construction Agreement and the Resettlement Agreement of approximately RMB1,325,000,000 (equivalent to approximately HK\$1,590,000,000) based on the illustration document issued by KMU for the purpose of the Auction. The Board considers that the total consideration is fair and reasonable having taking into account the current market conditions, the location, development costs and development

potential of the Lands. The consideration will be funded by internal resources and loan from substantial shareholder or its related companies.

REASON FOR THE ACQUISITION

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.

The Group has been diversifying its business into the property development and property investment in the PRC. The Board believes that the Acquisition provides an excellent investment opportunity for the Group to establish its position in the property market in Kunming, the PRC. The Directors consider that the Acquisition is in the interests of the Company and its Shareholders as a whole and the terms thereof are on normal commercial terms which are fair and reasonable.

LISTING RULES IMPLICATIONS

On the basis that the applicable percentage ratios in respect of the Acquisition are greater than 25% while all such ratios are less than 100% for the purposes of Rule 14.07 of the Listing Rules, the Acquisition constitutes a major transaction for the Company under the Listing Rules.

The Acquisition is regarded as a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves acquisition of governmental lands in the PRC from a PRC Governmental Body (as defined under Rule 19A.04 of the Listing Rules) through a tender, auction or listing-for-sale governed by PRC Law (as defined under Rule 19A.04 of the Listing Rules). The Board confirms that the Acquisition is in the Group's ordinary and usual course of business and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Acquisition is subject to reporting and announcement requirements and is exempt from shareholders' approval requirements pursuant to Rule 14.33A of the Listing Rules.

The circular containing the information required under the Listing Rules in relation to the Acquisition will be despatched to the Shareholders as soon as possible, which is expected to be on or before 21 September 2015.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Acquisition”	the acquisition of land use rights of the Lands through the listing-for-sale online bidding process at the Auction;
“Auction”	the online bidding process held by Kunming Land & Mining Exchange, which was commissioned by Kunming Land Bureau and the management committee of Kunming Development Zone, at which the Lands were offered for sale;

“Auction Confirmation”	the auction confirmation (昆明市國有建設用地使用權網上交易掛牌出讓成交確認書) to be entered into between Kunming Land & Mining Exchange and the Project Company confirming the successful bidding at the Auction;
“Board”	the board of Directors;
“Clinical Teaching Complex”	the clinical teaching complex to be constructed on the Lands for KMU which include construction of dental hospital, continuing education building, administration building, canteen, health and medical training centre and car parks;
“Company”	Peking University Resources (Holdings) Company Limited (stock code: 00618), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning as defined in the Listing Rules;
“Construction Agreement”	the construction agreement (KCXS2012-33號 A3-1, A3-2 地塊昆明醫科大學臨床教學基地建設項目還建協議) in respect of the Clinical Teaching Complex to be entered into between KMU and the successful bidder of the Lands as one of the conditions to the Auction;
“Deyu Investment”	Beijing Deyu Investment Management Company Limited* (北京德譽投資管理有限公司), a limited liability company established in the PRC which is wholly owned by the PKU Investment;
“Director(s)”	directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is(are) independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder, of the Company, its subsidiaries or any of their respective associate(s);
“KMU”	Kunming Medical University (昆明醫科大學);
“Kunming Development Zone”	Kunming National Hi-Tech Industries Development Zone (昆明國家高新技術產業開發區);

“Kunming Land Bureau”	Kunming Land & Resource Bureau (昆明市國土資源局);
“Kunming Land & Mining Exchange”	Kunming Land & Mining Exchange Centre (昆明市土地和礦業權交易中心);
“Lands”	two pieces of land situated at Affairs Office, Zong Shu Ying Street, Xishan District, Kunming* (昆明市西山區棕樹營街道辦事處) (Land codes: KCXS2012-33-A3-1 and KCXS2012-33-A3-2);
“Land Grant Contract”	Land Use Rights Grant Contract (國有建設用地使用權出讓合同) in respect of the Lands expected to be entered into between Kunming Land Bureau and Project Company within 10 working days after signing of the Auction Confirmation;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Nominee”	a PRC individual nominated by the Company for the purpose of the establishment of Rong Tong which will be replaced by Deyu Investment as the general partner of Rong Tong;
“PKU Investment”	Peking University Resources Group Investment Company Limited* (北大資源集團投資有限公司), a company established in the PRC with limited liability which is an indirect wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China;
“Project Company”	Kunming Fangyuan Botai Zhiye Company Limited* (昆明方源博泰置業有限公司), a limited liability company established in the PRC, which is formed for the sole purpose of the development of the Lands and held as to 85% and 15% by PKU Investment and Rong Tong respectively;
“Resettlement”	the resettlement of the existing residents on the Lands to be arranged by KMU;
“Resettlement Agreement”	the resettlement agreement (KCXS2012-33號A3-1, A3-2地塊回遷安置房建設移交協議) in respect of the Resettlement to be entered into between KMU and the successful bidder for the Lands, as one of the conditions to the Auction;
“Rong Tong”	Beijing Rongtong Runcheng Investment Management Partnership* (北京融通潤承投資管理合伙企業), a limited liability partnership enterprise established in the PRC, of which the Nominee is the general partner;

“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholders”	the shareholder(s) of the Company;
“sq.m.”	square metre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“subsidiary”	has the meaning ascribed to it under the Listing Rules.

By Order of the Board
Peking University Resources (Holdings) Company Limited
Zhang Zhao Dong
Chairman

Hong Kong, 28 August 2015

The exchange rate adopted in this announcement for illustration purpose only is RMB1.00 = HK\$1.20.

As at the date of this announcement, the Board comprises executive Directors of Mr Zhang Zhao Dong (Chairman), Mr Fang Hao (President), Mr Zhou Bo Qin, Mr Wei Jun Min, 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*