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北大资源
PKU RESOURCES

Peking University Resources (Holdings) Company Limited

北大资源(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00618)

**CONTINUING CONNECTED TRANSACTIONS:
MASTER PROPERTY MANAGEMENT SERVICE AGREEMENT**

MASTER PROPERTY MANAGEMENT SERVICE AGREEMENT

On 16 September 2014, the Company entered into the Master Property Management Service Agreement with PKU Resources Group, which was expired on 31 December 2016. On 21 July 2017, the Company entered into the Master Property Management Service Agreement with PKU Resources Group pursuant to which PKU Resources Group and its associates agree to provide pre-sale property management services to the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, PKU Resources Group is the holding company of Founder Information which is the controlling shareholder of the Company. Accordingly, the transactions contemplated under the Master Property Management Service Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Property Management Service Agreement, on an annual basis, exceeds 0.1% but is less than 5%, the transactions contemplated under the Master Property Management Service Agreement constitute exempt continuing connected transactions for the Company pursuant to Rule 14A.76(2) of the Listing Rules, and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

1. MASTER PROPERTY MANAGEMENT SERVICE AGREEMENT

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Principal terms of the Master Property Management Service Agreement

The principal terms of the Master Property Management Service Agreement, among others, are set out below:

Parties:	(1) the Group; and (2) PKU Resources Group and its associates, all principally engaged in the property development business in the PRC
Condition precedent:	the Master Property Management Service Agreement complies with the relevant provisions of the Listing Rules
Term:	from the date specified in the individual property management service agreement to the end date not later than 31 December 2019
Provision of service and fees:	among others, (i) service charges including materials and labour costs, (ii) property charges including operation, security, cleaning, customer service and maintenance etc.; and (iii) special charges such as assistance in promotional events, sales support, electricity, etc.

Historical Transaction Amounts and Proposed Caps

The historical figures, the historical annual caps and the proposed annual caps in respect of the Master Property Management Service Agreement are as follows:

	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2016	Year ending 31 December 2017	Year ending 31 December 2018	Year ending 31 December 2019
Historical figures						
<i>RMB million</i>	2.9	12.9	16.7	N/A	N/A	N/A
<i>HK\$ million (approximately)</i>	3.4	14.8	19.2	N/A	N/A	N/A
Historical annual caps						
<i>RMB million</i>	40	65	85	N/A	N/A	N/A
<i>HK\$ million (approximately)</i>	46	74	97	N/A	N/A	N/A
Proposed annual caps						
<i>RMB million</i>	N/A	N/A	N/A	53	60	62
<i>HK\$ million (approximately)</i>	N/A	N/A	N/A	61	69	71

The annual caps are determined with reference to (i) the plans of the property development projects of the Company and (ii) the estimated trend of the PRC property market prices for the years from 2017 to 2019.

Reasons and benefits of the Master Property Management Service Agreement

In order to relieve itself from the potential burden of maintaining a large team for property management and supervision, the Group does not retain its own property management team and instead, leveraging on the expertise of PKU Resources Group and its associates to manage its property projects before the respective sales phases. The Directors are of the view that, by leveraging on the expertise of PKU Resources Group and its associates, which have been managing property projects for over 10 years, the respective properties will be managed in a more cost effective way with quality.

The Directors are of the view that the transactions under the Master Property Management Service Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. As Mr. Zeng Gang and Ms. Sun Min are concurrently serving as directors of PKU Resources Group, they have abstained from voting on the resolution considering the Master Property Management Service Agreement at the Board meeting of the Company. Saved as disclosed above, none of the Directors have a material interest in the transactions contemplated under the Master Property Management Service Agreement.

Information of the parties

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

PKU Resources Group is a comprehensive real estate holding group specialized in real estate development, educational investment, commercial real estate operation, and property operation and management.

Listing Rules Implications

As at the date of this announcement, PKU Resources Group is the holding company of Founder Information which is the controlling shareholder of the Company. Accordingly, the transactions contemplated under the Master Property Management Service Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules for the transactions contemplated under the Master Property Management Service Agreement, on an annual basis, exceeds 0.1% but is less than 5%, the transactions contemplated under the Master Property Management Service Agreement constitute exempt continuing connected transactions for the Company pursuant to Rule 14A.76(2) of the Listing Rules, and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

“associates”	has the same meaning as ascribed thereto in the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Peking University Resources (Holdings) Company Limited (北大資源(控股)有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange under the stock code 00618;
“connected person(s)”	has the same meaning as ascribed thereto in the Listing Rules;

“controlling shareholder”	has the same meaning as ascribed thereto in the Listing Rules;
“Directors”	the directors of the Company;
“Founder Information”	Founder Information (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“Main Board”	the stock exchange (excluding the option market) operated by The Stock Exchange of Hong Kong Limited, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange;
“Master Property Management Service Agreement”	a master property management service agreement dated 21 July 2017 entered into between the Company and PKU Resources Group;
“PKU Resources Group”	北大資源集團有限公司 (Peking University Resources Group Co. Ltd.*), a company established in the PRC with limited liability;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“subsidiary”

has the same meaning as ascribed thereto in the Listing Rules.

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

Hong Kong, 21 July 2017

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

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

** For identification purposes only*