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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this Circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution 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 together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**北大资源**  
**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)

**VERY SUBSTANTIAL DISPOSAL**  
**DISPOSALS OF 100% EQUITY INTEREST IN QINGDAO BOLAI AND**  
**100% EQUITY INTEREST IN HONG KONG TIANRANJU**

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A letter from the Board is set out on pages 6 to 23 of this Circular.

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 on page SGM-1 to SGM-2 of this Circular.

Whether or not you are able to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of Peking University Resources (Holdings) Company Limited, at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish.

25 March 2015

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## DEFINITIONS

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*In this Circular, the following expressions have the meanings set out below unless the context requires otherwise:*

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bolai Completion”	completion of the sale and purchase of 100% equity interest of Qingdao Bolai in accordance with the terms and conditions of the Sale and Purchase Agreement
“Bolai Completion Date”	the same date when Qingdao Bolai completed the registration formalities of the alteration of equity interest and CITIC Shenzhen received the new business license
“Bolai Consideration”	the consideration of approximately RMB650 million for the disposal of Qingdao Bolai payable by CITIC Shenzhen
“CITIC Real Estate Hong Kong”	CITIC Real Estate (Hong Kong) Development Limited
“CITIC Shenzhen”	CITIC Shenzhen (Group) Co., Limited and its connected persons
“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)
“Conditions Precedent”	conditions precedent for Bolai Completion under the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposals”	means (i) the disposal of Qingdao Bolai by Qingdao Boya to CITIC Shenzhen on and subject to the terms and conditions of the Sale and Purchase Agreement, and (ii) the disposal of Hong Kong Tianranju by the Company to CITIC Real Estate Hong Kong on and subject to the Subsequent Sale and Purchase Agreement.

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## DEFINITIONS

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“Founder Information”	Founder Information (Hong Kong) Limited (香港方正資訊有限公司), a company established in Hong Kong with limited liability
“Framework Agreement”	the conditional equity and project transfer framework agreement dated 16 February 2015 entered into among Qingdao Boya, CITIC Shenzhen, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong and Qingdao Bofu, for the sale of 100% equity interest in Qingdao Bolai and 100% equity interest in Hongkong Tianranju
“Group”	the Company and its subsidiaries from time to time
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Tianranju”	Hong Kong Tianranju Holdings Limited (香港天然居控股有限公司), a company established in Hong Kong with limited liability which is a direct wholly-owned subsidiary of the Company
“Independent Third Parties”	an individual or a company who is not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Latest Practicable Date”	23 March 2015, the latest practicable date for the identification of certain information in this circular prior to the despatch of this circular
“Lot B”	a land parcel of 59,644.1 sq. m situated at the north of Changsha Road and the east of Zhoukou Road, Shibe District, Qingdao, legally and beneficially owned by Qingdao Bolai
“Lot C”	a land parcel of 85,587 sq. m situated at the north of Changsha Road and the east of Zhoukou Road, Shibe District, Qingdao, 81.48% owned by Hong Kong Tianranju and 18.52% owned by Tibet Zhao Rong
“Lot E”	a land parcel of 48,543 sq. m situated at the north of Changsha Road and the east of Zhoukou Road, Shibe District, Qingdao, legally and beneficially owned by Qingdao Bolai

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Peking Founder”	Peking University Founder Group Co., Ltd.* (北大方正集團有限公司), a company established in the PRC with limited liability
“PKU Resources Group”	Peking University Resources Group Co., Ltd.* (北大資源集團有限公司), a company established in the PRC with limited liability
“PKU Asset Management”	Peking University Asset Management Company Limited* (北大資產經營有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China, which for the purpose of this Circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	means (i) Lot B, (ii) Lot C and (iii) Lot E
“Qingdao Bofu”	Qingdao Bofu Property Co., Limited* (青島博富置業有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“Qingdao Bolai”	Qingdao Bolai Property Co., Limited* (青島博萊置業有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of Qingdao Boya
“Qingdao Boya”	Qingdao Boya Huafu Property Co., Limited* (青島博雅華府置業有限公司), a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of the Company and the vendor of Qingdao Bolai
“Remaining Group”	the Group on the basis that the Disposals of the Properties has been completed

\* For identification purpose only

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## DEFINITIONS

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“RMB”	means Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional provisional sale and purchase agreement dated 16 February 2015 entered into among Qingdao Boya, CITIC Shenzhen, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong and Qingdao Bofu, for the sale of 100% equity interest in Qingdao Bolai
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposals on the terms and conditions of the Framework Agreement, the Sale and Purchase Agreement, the Subsequent Sale and Purchase Agreement, and the other transactions contemplated thereunder
“Shareholders”	holders of the Shares
“Shares”	ordinary shares in the share capital of the Company
“sq.m”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Sale and Purchase Agreement”	the conditional provisional sale and purchase agreement dated 10 March 2015 entered into among Qingdao Boya, CITIC Real Estate Hong Kong, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong and Qingdao Bofu, for the sale of 100% equity interest in Hong Kong Tianranju
“subsidiary”	has the meaning given to it under the Listing Rules
“Target”	means (i) Qingdao Bolai, (ii) Hong Kong Tianranju
“Tianranju Completion”	completion of the sale and purchase of Hong Kong Tianranju in accordance with the terms and conditions of the Subsequent Sale and Purchase Agreement

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## DEFINITIONS

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“Tianranju Completion Date”	the same date when the Company completes the registration formalities to transfer 100% equity interest in Hong Kong Tianranju to CITIC Real Estate Hong Kong
“Tibet Zhao Rong”	Tibet Zhao Rong Investment Co., Ltd. (西藏昭融投資有限公司), a company established in the PRC with limited liability, an Independent Third Party
“%”	per cent.

*Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

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LETTER FROM THE BOARD

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**北大资源**  
**PKU RESOURCES**

**Peking University Resource (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

**VERY SUBSTANTIAL DISPOSAL IN RELATION TO  
THE DISPOSAL OF 100% EQUITY INTEREST IN QINGDAO BOLAI AND 100%  
EQUITY INTEREST IN HONG KONG TIANRANJU**

**INTRODUCTION**

Reference is made to the Company's announcement dated 3 March 2015 and the announcement dated 10 March 2015, in relation to, among others, the Disposals.

The purpose of this Circular is to provide you with, among others, further information regarding the Disposals and the transactions contemplated thereunder, other information of the Group and to give you notice of the SGM.



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## LETTER FROM THE BOARD

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### 2. VERY SUBSTANTIAL DISPOSALS

On 16 February 2015, Qingdao Boya, CITIC Shenzhen, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong and Qingdao Bofu entered into the Framework Agreement, pursuant to which (i) CITIC Shenzhen has conditionally agreed to acquire and Qingdao Boya has conditionally agreed to sell 100% equity interest in Qingdao Bolai; and (ii) CITIC Shenzhen has conditionally agreed to acquire and the Company has conditionally agreed to sell 100% equity interest in Hong Kong Tianranju. The definitive Sale and Purchase Agreement with respect to the disposal of 100% equity interest of Qingdao Bolai was entered on 16 February 2015, and the definitive Subsequent Sale and Purchase Agreement with respect to the disposal of 100% equity interest of Hong Kong Tianranju was entered on 10 March 2015.

#### The Framework Agreement

The key terms and conditions of the Framework Agreement are summarized as below:

Date	:	16 February 2015
Vendors	:	Qingdao Boya and the Company
Purchaser	:	CITIC Shenzhen
Targets	:	Qingdao Bolai and Hong Kong Tianranju
Guarantors	:	Qingdao Boya, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong and Qingdao Bofu
Consideration	:	The consideration to be given to the Group is approximately RMB2,398 million (or its equivalent in Hong Kong Dollar), which is to be paid by CITIC Shenzhen or any party designated by it, including: <ul style="list-style-type: none"><li>(a) approximately RMB650 million, being payment for the share transfer of Qingdao Bolai;</li><li>(b) repayment of (i) RMB500 million, being all the principal of the entrusted loan provided by PKU Resources Group to Qingdao Bolai in August 2014; (ii) approximately RMB544 million, being the principal of the entrusted loan owed to Huaneng Guicheng Trust Co., Ltd., an Independent Third Party, since May 2014; and (iii) the interest of the entrusted loan under (i) and (ii) is excluded from the total consideration; and</li><li>(c) the Tianranju Consideration which amounts to approximately RMB704 million.</li></ul>

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## LETTER FROM THE BOARD

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The consideration mentioned above was agreed after arm's length negotiation among the parties to the Framework Agreement having taken into consideration the prevailing market values of comparable properties in nearby locations.

- Payment terms : (a) Please refer to the Sale and Purchase Agreement for detailed payment terms for the share transfer of Qingdao Bolai;
- (b) The Tianranju Consideration is to be paid according to the following schedule:
- (i) RMB300 million as deposit, to be paid by CITIC Shenzhen to the Company on the date when the respective company seals and information of Qingdao Bolai and Qingdao Bofu are shared to Hong Kong Tianranju and CITIC Shenzhen;
- (ii) approximately RMB704 million (or its equivalent in Hong Kong Dollar), as the payment of share transfer, is to be paid in full as soon as that CITIC Shenzhen has received all the fund of the deposit stipulated in paragraph (b)(i) and all the documents for changing registration of Hong Kong Tianranju.
- Deposits : (a) CITIC Shenzhen has agreed to (i) pay Qingdao Boya an amount of RMB500 million as deposit of the acquisition of 100% equity interest in Qingdao Bolai and its project, and to (ii) pay the Company or any affiliate designated by the Company an amount of RMB300 million as deposit of the acquisition of 100% equity interest in Hong Kong Tianranju and its project within 24 hours after, amongst others, the company information of Qingdao Bolai and Qingdao Bofu are shared to CITIC Shenzhen.
- (b) CITIC Shenzhen has agreed to repay, on the date of signing the Framework Agreement, a total amount of RMB500 million equivalent to the principal of the entrusted loan provided by PKU Resources Group to Qingdao Bolai in August 2014.

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## LETTER FROM THE BOARD

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The deposit of RMB500 million to be paid to Qingdao Boya as stipulated in (a)(i) above shall be set-off as equivalent payment of the share transfer of 100% equity interest in Qingdao Bolai and its project in accordance with the Sale and Purchase Agreement; and the deposit of RMB300 million to be paid to the Company or any affiliate designated by the Company as stipulated in (a)(ii) above shall be refunded to CITIC Shenzhen immediately before the payment of approximately RMB704 million to be paid in full by CITIC Shenzhen for the share transfer of 100% equity interest in Hong Kong Tianranju and its project in accordance with the Subsequent Sale and Purchase Agreement.

- Guarantees :
- (a) Hong Kong Tianranju agrees to guarantee the full repayment of the creditor's right of CITIC Shenzhen against Qingdao Bolai by using the 81.48% equity interest in Qingdao Bofu held by Hong Kong Tianranju.
  - (b) Qingdao Boya agrees to guarantee the full repayment of the creditor's right of CITIC Shenzhen against Qingdao Bolai by using the 100% equity interest in Qingdao Bolai held by Qingdao Boya.
  - (c) Qingdao Boya, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong, and Qingdao Bofu shall be jointly and severally liable for the repayment of the creditor's right of CITIC Shenzhen resulting from the repayment of the entrusted loan of Qingdao Bolai as set out above in paragraph (b) of the "Deposits" before Bolai Completion Date. Qingdao Boya, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong, and Qingdao Bofu agree to be jointly and severally liable for the obligations and liability of Qingdao Boya, the Company, Qingdao Bolai, Hong Kong Tianranju and Qingdao Bofu under the Framework Agreement.

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## LETTER FROM THE BOARD

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- Obligations of the parties : (a) The obligations of CITIC Shenzhen:
- (i) CITIC Shenzhen shall submit the Framework Agreement to China CITIC Group Corporation Limited for approval after signing the Framework Agreement;
  - (ii) the Framework Agreement shall be terminated automatically, and the Sale and Purchase agreement shall also be terminated, if the Framework Agreement has not been approved by 31 March 2015. Qingdao Boya and the Company shall refund the deposit respectively together with the interest at the benchmark bank lending rate for the same period within 5 days after receiving the written notification from CITIC Shenzhen. Qingdao Bolai shall refund the principal of the entrusted loan repaid by CITIC Shenzhen together with the interest at the benchmark bank lending rate for the same period immediately to CITIC Shenzhen.
- (b) The obligations of the Company:
- (i) the Company shall procure the holding of SGM before 30 April 2015 to vote on the disposal of Qingdao Bolai, Hong Kong Tianranju, and their projects.
  - (ii) the Framework Agreement and the Subsequent Sale and Purchase Agreement shall be terminated, if the Company has not held the SGM or the related resolutions have not been approved by the SGM by 31 May 2015. Qingdao Boya and the Company shall refund the deposit respectively together with the interest from the date of the repayment of the entrusted loan at an annualized rate of 12%. Qingdao Bolai shall refund the principal of the entrusted loan repaid by CITIC Shenzhen together with the interest from the date of the repayment of the entrusted loan at an annualized rate of 12%.

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## LETTER FROM THE BOARD

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- (c) All the parties shall draft and sign the Subsequent Sale and Purchase Agreement pursuant to the principles stipulated by the Framework Agreement as soon as possible after the completion of due diligence. CITIC Shenzhen shall inform Qingdao Boya whether CITIC Shenzhen will acquire Hong Kong Tianranju and Lot C or not by 28 February 2015.\* If CITIC Shenzhen has agreed to proceed with the transaction, all the parties shall reach the agreement and sign the formal Subsequent Sale and Purchase Agreement within 3 working days from 28 February 2015. If CITIC Shenzhen has decided to terminate, the Framework Agreement shall be terminated upon the date of receiving the written notification from CITIC Shenzhen, and the Sale and Purchase Agreement shall be terminated as well. Qingdao Boya and the Company shall refund the deposit to CITIC Shenzhen respectively within 5 days after receiving the written notification from CITIC Shenzhen. Qingdao Bolai shall immediately refund to CITIC Shenzhen the principal of the entrusted loan repaid by CITIC Shenzhen together with the interest from the date of repaying the entrusted loan at the benchmark bank lending rate for the same period. Qingdao Boya, Tibet Zhao Rong, and Hong Kong Tianranju shall repay all the expenses of the management and project operation of Qingdao Bolai, and Qingdao Bofu to be spent by CITIC Shenzhen in the period of joint management together with the interest at an annualized rate of 12% to CITIC Shenzhen. After all the payments mentioned above being settled, each party shall not claim any right or make any request to other party (parties).

Governing Law : PRC

Others : CITIC Shenzhen shall acquire the remaining 18.52% equity interest in Qingdao Bofu and its project at a consideration of RMB160 million to be paid to Tibet Zhao Rong, in accordance with the terms and conditions in the Framework Agreement.

The Framework Agreement is legally binding. All the terms mentioned in the “Consideration” and the “Payment Terms” are subject to terms and conditions as set out in the formal sale and purchase agreements in respect of Qingdao Bolai, Qingdao Bofu, and Hong Kong Tianranju, respectively, to be signed between relevant parties.

\* *The said obligation was fulfilled and the parties entered into the Subsequent Sale and Purchase Agreement in accordance with the terms and conditions of the Framework Agreement.*

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## LETTER FROM THE BOARD

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### The Sale and Purchase Agreement

The key terms and conditions of the Sale and Purchase Agreement are summarized as below:

- Date : 16 February 2015
- Vendor : Qingdao Boya, a non-wholly-owned subsidiary of the Company and the legal and beneficial owner of Qingdao Bolai.
- Purchaser : CITIC Shenzhen
- Target : Qingdao Bolai. Qingdao Bolai is direct wholly owned by Qingdao Boya and its main asset is Lot B and Lot E both located to the north of Changsha Road and the east of Zhoukou Road, Shibe District, Qingdao.
- Consideration and payment terms : The Bolai Consideration is approximately RMB650 million, which is to be paid by CITIC Shenzhen in the following manner:
- (a) an amount of RMB500 million, being the deposit contemplated under the Framework Agreement, shall be set-off as the initial payment to Qingdao Boya automatically on the date (upon signing the Sale and Purchase Agreement) when the respective company seals and project information are jointly managed by Qingdao Boya and CITIC Shenzhen; and
  - (b) approximately RMB150 million is to be paid to Qingdao Boya on the Bolai Completion Date.
- The Bolai Consideration was agreed after arm's length negotiation between Qingdao Boya and CITIC Shenzhen having taken into consideration the prevailing market values of comparable properties in nearby locations.
- Repayment of the entrusted loans : (a) CITIC Shenzhen has agreed to repay RMB500 million, being the principal of an entrusted loan which is provided by PKU Resources Group to Qingdao Bolai, to PKU Resources Group for Qingdao Bolai within 24 hours after the company seals and project information are jointly managed by Qingdao Boya and CITIC Shenzhen.

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## LETTER FROM THE BOARD

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- (b) CITIC Shenzhen will repay all the debts of another entrusted loan provided by PKU Resources Group to Qingdao Bolai (including approximately RMB544 million as the principal and the unpaid interest thereon from the date of borrowing to the date of repayment) and the interest of the entrusted loan under paragraph (a) in the “Repayment of the entrusted loans” from the date of borrowing to the date of actual repayment of the principal, by the next day (inclusive) of Bolai Completion Date for Qingdao Bolai.
- (c) CITIC Shenzhen will repay the entrusted loans in following manner:
  - (i) CITIC Shenzhen will repay the entrusted loan set out in paragraph (b) of the “Repayment of the entrusted loans” to Huaneng Guicheng Trust Co., Ltd. through Qingdao Bolai. The amount of repayment and the repayment routine shall be jointly decided by Qingdao Bolai, PKU Resources Group, the Qingdao Nanjing Road Branch of the Bank of Communications, and Huaneng Guicheng Trust Co., Ltd..
  - (ii) CITIC Shenzhen shall repay the entrusted loan set out in paragraph (a) of the “Repayment of the entrusted loans” to PKU Resources Group through Qingdao Bolai and the trustee bank.

CITIC Shenzhen and Qingdao Boya shall cooperate with each other to accomplish the repayments of entrusted loans.

- Conditions precedent to Completion : Completion of the Sale and Purchase Agreement, is conditional upon fulfillment of the following conditions:
- (a) all necessary consents and approvals being obtained by the Company in compliance with the Listing Rules.
  - (b) the Company undertakes to procure the holding of the SGM by 30 April 2015 for the purpose of obtaining the necessary consents and approvals without delay.

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## LETTER FROM THE BOARD

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Guarantees	The key terms are the same as the guarantees in the Framework Agreement. Qingdao Boya, Qingdao Bolai, the Company, Hong Kong Tianranju, Tibet Zhao Rong, and Qingdao Bofu shall provide unlimited guarantee, jointly and severally, to CITIC Shenzhen for the exercise of its rights under this agreement for two years. All the parties have agreed that CITIC Shenzhen has the right to release one or more parties from the liability for the guarantees in written form.
Bolai Completion	Subject to the fulfillment of the Conditions Precedent and the sale, Bolai Completion is scheduled for on or before the Bolai Completion Date.
Governing Law	PRC

### **The Subsequent Sale and Purchase Agreement**

The key terms and conditions of the Subsequent Sale and Purchase Agreement are summarized as below:

Date	:	10 March 2015
Vendor	:	the Company, the legal and beneficial owner of Hong Kong Tianranju.
Purchaser	:	CITIC Real Estate Hong Kong
Guarantors	:	Qingdao Bolai, Tibet Zhao Rong and Qingdao Boya
Target	:	Hong Kong Tianranju, wholly owned by the Company and its main asset is the 81.48% equity interest in Qingdao Bofu, which in turn owns Lot C located to the north of Changsha Road and the east of Zhoukou Road, Shibe District, Qingdao.
Consideration	:	The total consideration to be given to the Company is approximately HKD881 million, which is to be paid by CITIC Real Estate Hong Kong, including:  (a) approximately HKD20 million, being the full payment for the share transfer of Hong Kong Tianranju; and  (b) approximately HKD861 million, being the repayment of the debt owed to the Company by Hong Kong Tianranju.

The total consideration was agreed after arm's length negotiation between the Company and CITIC Real Estate Hong Kong having taken into consideration the prevailing market values of comparable properties in nearby locations.



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## LETTER FROM THE BOARD

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The consideration of approximately HKD881 million was converted from approximately RMB704 million (the “**RMB Consideration**”), with reference to the exchange rate on the date of entering the Framework Agreement. With regards the future exchange rate fluctuations, CITIC Shenzhen, CITIC Real Estate Hong Kong, Qingdao Boya and the Company further entered into a memorandum dated 10 March 2015 for the adjustments (the “**Memorandum**”), pursuant to which:

- (a) CITIC Real Estate Hong Kong shall pay the difference as part of the Tianranju Consideration should the equivalent amount in HKD of the RMB Consideration on the Payment Date (as defined thereafter) is higher than approximately HKD881 million;
- (b) Should the equivalent amount in HKD of the RMB Consideration is less than HKD881 million on the Payment Date (as defined thereafter), the difference can be set-off against the second installment of the consideration for the transfer of 100% equity interest in Qingdao Bolai, in accordance to the terms in the Memorandum.

- Payment terms :
- (a) The deposit of RMB300 million paid pursuant to the terms and conditions of the Framework Agreement shall be refunded to CITIC Shenzhen by the Company or any affiliate designated by the Company;
  - (b) approximately HKD881 million as the total consideration shall be paid in full to the Company by CITIC Real Estate Hong Kong on the same date as the following conditions are fulfilled (if the Company fulfills the conditions later than 13:00 Hong Kong time, CITIC Real Estate Hong Kong shall pay within 24 hours from the fulfillment of such conditions; and in case of public holiday, the time limit shall be automatically postponed to the first working day) (the “**Payment Date**”):
    - (i) receipt of the refund of the deposit as set out in paragraph (a) by CITIC Shenzhen;

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## LETTER FROM THE BOARD

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(ii) delivery of all share transfer and registration documents of Hong Kong Tianranju by the Company to CITIC Real Estate Hong Kong; and

(iii) the Company seals and information of Hong Kong Tianranju being jointly managed by the Company and CITIC Real Estate Hong Kong.

Obligations of the parties : Obligations of the parties include, among others;

(a) the Company shall seek to procure the holding of the SGM by 30 April 2015. The Company shall assume no liabilities if the SGM is held by 30 May 2015 (inclusive of 30 May 2015), otherwise the Company shall bear the liabilities stipulated by the Framework Agreement);

(b) the following matters shall be completed within five business days from the date when the Disposals are approved by the SGM:

(i) the Company shall deliver all share transfer and registration documents of Hong Kong Tianranju to CITIC Real Estate Hong Kong; and

(ii) all relevant taxes regarding Hong Kong Tianranju shall be settled between the Company and CITIC Real Estate Hong Kong and the transfer of equity interest shall be filed.

Termination : The events of termination include, among others:

(a) CITIC Real Estate Hong Kong shall submit the Subsequent Sale and Purchase Agreement to China CITIC Group Corporation Limited for approval after signing the Subsequent Sale and Purchase Agreement;

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## LETTER FROM THE BOARD

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(b) the Framework Agreement shall be terminated automatically, and the Subsequent Sale and Purchase Agreement shall no longer be performed, if the Subsequent Sale and Purchase Agreement has not been approved by 31 March 2015. Qingdao Boya and the Company shall refund the deposit respectively together with the interest at the benchmark bank rate for the same period within 5 days after receiving the written notification from CITIC Real Estate Hong Kong. Qingdao Bolai shall refund the principal of the entrusted loan repaid by CITIC Shenzhen together with the interest at the benchmark bank rate for the same period immediately to CITIC Shenzhen. Qingdao Boya, Tibet Zhao Rong, Hong Kong Tianranju, and the Company shall repay the expenses of the management and project operation of Qingdao Bolai to be spent by CITIC Shenzhen, and the expenses of the management and project operation of Hong Kong Tianranju and Qingdao Bofu to be spent by CITIC Real Estate Hong Kong in the period of joint management, together with the interest at an annualized rate of 12%. After the payments mentioned above are settled, each party shall not claim any right or make any request to any other parties.

(c) The Framework Agreement and the Sale and Purchase Agreement shall be terminated automatically, if this Subsequent Sale and Purchase Agreement is terminated before the Tianranju Completion Date. The defaulting party shall bear the liabilities stipulated by the Subsequent Sale and Purchase Agreement to any other non-defaulting parties.

Guarantees : Hong Kong Tianranju, together with the Guarantors, Qingdao Boya, Qingdao Bolai and Tibet Zhao Rong shall provide unlimited guarantee, jointly and severally, to CITIC Real Estate Hong Kong for the fulfillment of the Company's obligations under this agreement for two years. All the parties have agreed that CITIC Real Estate Hong Kong has the right to release one or more parties from the liability for the guarantees in written form.

Completion : Subject to the fulfillment of the Subsequent Sale and Purchase Agreement, Tianranju Completion is scheduled for on or before the Tianranju Completion Date.

Governing Law : PRC

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## LETTER FROM THE BOARD

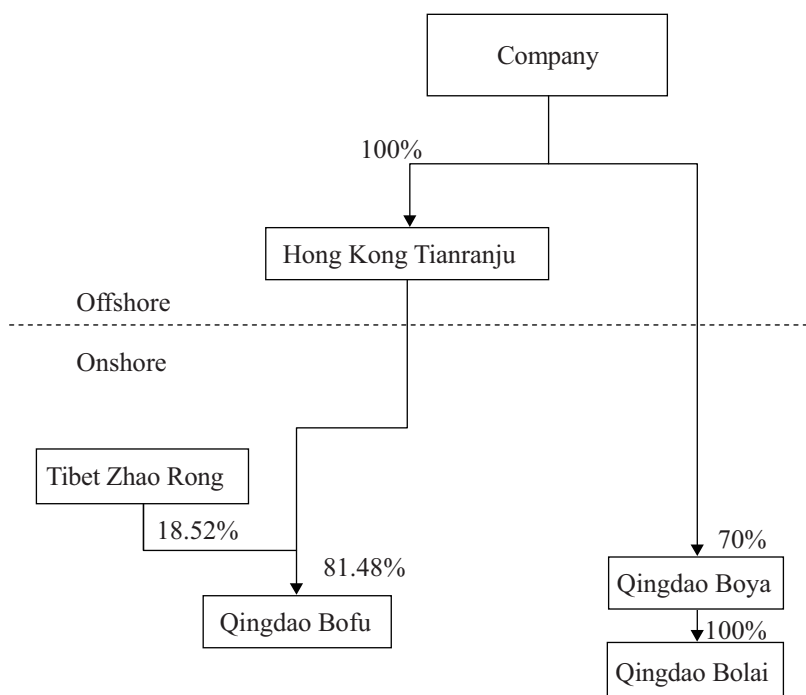
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### Undertaking by PKU Asset Management

To show its confidence in the Group, on 16 February 2015, PKU Asset Management, the ultimate controlling shareholder of the Group, provided an undertaking in favour of CITIC Shenzhen, pursuant to which, among others, PKU Asset Management undertakes to procure, among others, the refund of the deposits in accordance with the terms of the Framework Agreement and the Sale and Purchase Agreement, failing which the relevant deposits in an aggregate sum of RMB1,300 million will be paid out by PKU Asset Management.

### 3. INFORMATION ON THE TARGET

Please see below the shareholding structures of Qingdao Bolai and Hong Kong Tianranju before the Disposals:



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## LETTER FROM THE BOARD

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### (i) QINGDAO BOLAI

Qingdao Bolai is a direct wholly owned subsidiary of Qingdao Boya. Qingdao Boya was acquired by the Group pursuant to a sale and purchase agreement entered into on 16 September 2014 and completion took place on 2 January 2015. The Company in turn ultimately owns 70% equity interest in Qingdao Bolai. Qingdao Bolai is a property investment company and its main asset is the properties consisting of Lot B and Lot E, located to the north of Changsha Road and the east of Zhoukou Road, Shibe District, Qingdao. Qingdao Bolai will cease to be the subsidiary of the Company following the transaction. After the disposal, the Company will not hold any equity interest in Qingdao Bolai.

Lot B was obtained through legal competitive processes on 17 December 2013. The total gross area of Lot B is approximately 59,644.1 sq.m. The project planning floor area of Lot B is approximately 150,303 sq.m.

Lot E was acquired by Qingdao Bolai on 11 June 2014. The total gross area of Lot E is approximately 48,543 sq.m. The project planning floor area of Lot E is approximately 121,357.5 sq.m.

For details of the financial information of Qingdao Bolai, please refer to Appendix II.

### (ii) HONG KONG TIANRANJU

Hong Kong Tianranju is a direct wholly owned subsidiary of the Company. Hong Kong Tianranju was acquired by the Group pursuant to a sale and purchase agreement entered into on 23 August 2012 and completion took place on 2 January 2013. Hong Kong Tianranju is a property investment company and its main asset is the property consisting of Lot C, located to the north of Changsha Road and the east of Zhoukou Road, Shibe District, Qingdao. Hong Kong Tianranju will cease to be the subsidiary of the Company following the transaction. After the disposal, the Company will not hold any equity interest in Hong Kong Tianranju.

Lot C was acquired through auction by Hong Kong Tianranju and Tibet Zhao Rong on 13 January 2015 with a total gross floor area of 85,587 sq.m.. Hong Kong Tianranju and Tibet Zhao Rong have established Qingdao Bofu together and completed the registration of Lot C in the name of Qingdao Bofu.

For details of the financial information of Hong Kong Tianranju, please refer to Appendix II.

## 4. INFORMATION OF THE PARTIES

### Information on the Vendors

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

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Qingdao Boya is an investment holding company, its 70% equity interest ultimately owned by the Company and its 30% equity interest owned by an Independent Third Party.

### **Information on the Purchasers**

CITIC Shenzhen is a company incorporated in the PRC with limited liability. It is principally engaged in property development and operations, property leasing; property management; development of golf courses, shopping malls and clubs; design and construction of building engineering, and equipment installation; infrastructure construction; indoor and outdoor decoration; landscaping construction; information consulting services and technical services relating to real estate; international investment; import-export business; undertaking the exhibition; production and sales of building materials.

CITIC Real Estate Hong Kong is a company incorporated in Hong Kong with limited liability and is a related party of CITIC Shenzhen. It is principally engaged in investment, real estate and services sectors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of CITIC Shenzhen and CITIC Real Estate Hong Kong and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **5. FINANCIAL EFFECTS OF THE DISPOSALS**

It is expected that the Company will realise a gain on the Disposals before taxation of approximately HKD738 million which is calculated with reference to the total consideration less (i) the initial investment to Qingdao Bolai from the Company; (ii) the initial investment to Hong Kong Tianranju from the Company; and (iii) the estimated transaction costs and expenses attributable to the Disposals.

The Disposals represents a disposal of asset which will give rise to a gain to the Remaining Group. The carrying value of the Properties sold and the actual and estimated costs attributable to the Disposals will be charged to the Remaining Group's statement of profit or loss in arriving at the gain arising from the Disposals.

#### **(i) Net asset value**

Based on the unaudited pro forma consolidated statement of assets and liabilities of the Remaining Group as set out in Appendix III to this Circular which illustrates the effect of the Disposals on the financial position of the Remaining Group, on the basis of assumptions as stated in Appendix II to this Circular, the total assets of the Remaining Group would have been decreased by approximately HKD880 million, while the total liabilities of the Remaining Group would have been decreased by approximately HKD1,418 million and the net assets value of the Remaining Group would have been increased by approximately HKD538 million, arising from the Disposals.

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## LETTER FROM THE BOARD

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### (ii) Results

Based on the unaudited pro forma consolidated statement of profit or loss of the Remaining Group as set out in the Appendix III to this Circular which illustrates the effect of the Disposals on the result of the Remaining Group, on the basis of the assumptions as stated in Appendix III to this Circular, the unaudited consolidated results of the Remaining Group for the year ended 31 December 2013 would have been changed from a consolidated net loss attributable to owners of the Company of approximately HKD118 million to a consolidated net profit attributable to owners of the Company of approximately HKD402 million. The net change in the unaudited pro forma consolidated results of the Remaining Group was mainly due to the estimated gain arising from the Disposals, the details of which are set out in Appendix III to this Circular.

The financial effects of the Disposals on the Remaining Group were prepared based on the unaudited pro forma financial information of the Remaining Group and are for illustration purposes only. As a number of assumptions have been made in the preparation of the unaudited pro forma financial information of the Remaining Group, the financial effects of the Disposals as elaborated above may not give the true picture of the actual financial effects of the Disposals on the Remaining Group.

### **6. REASONS FOR AND BENEFITS OF THE DISPOSALS AND USE OF NET SALE PROCEEDS**

The Company first had the intention to dispose the Properties when the Purchaser(s) approached the Company in early February 2015. Lot B, Lot C and Lot E are neighbouring lots of land, which when combined together allows for better land planning and more flexible usage. As a result, selling the lots together to a single purchaser would enable the Company to recognise a higher economical gain. Given the considerations for the Disposals was higher than the respective acquisition prices of the lots, the Directors consider that the Disposals is a good opportunity for the Company to yield a reasonable gain. From the realisation of Qingdao Bolai and Hong Kong Tianranju, flexibility in cash flow is generated with additional working capital provided to the Group.

The Board considers that the terms of the Framework Agreement, the Sale and Purchase Agreement, and the Subsequent Sale and Purchase Agreement are fair and reasonable and the Disposals is in the interest of the Shareholders as a whole.

The Company intends to apply the sale proceeds from the Disposals, after deducting related expenses, in the amount of approximately RMB2,397 million in payment of the redemption money (if any) as may require to be paid to the existing mortgagees of the Properties on or prior to Bolai Completion and in payment of other indebtedness of the Group as the Board may from time to time determine and to retain the remaining balance as general working capital of the Group. The sale proceeds will not be used to invest in any assets.

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## LETTER FROM THE BOARD

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The Directors therefore do not expect the Disposals to have a material adverse impact on the business operations of the Group. The Board will consider and determine any factors impacting the Disposals and will keep the Shareholders informed if and when appropriate.

### **7. LISTING RULES OF IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposals is more than 75%, the Disposals constitute very substantial disposal for the Company under Chapter 14 of the Listing Rules. The Disposals are therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder(s) has a material interest in the Disposals. As such, no Shareholders or their respective associates are required to abstain from voting on the resolution to be proposed at the SGM to approve the Disposals on the terms and conditions of the Framework Agreement, the Sale and Purchase Agreement, the Subsequent Sale and Purchase Agreement, and the other transactions contemplated thereunder.

### **SGM**

The Company will convene and hold the SGM at 10:00 a.m. on Wednesday, 15 April 2015 at 4/F, Zhongguancun Founder Building, 298 Chengfu Road, Haidian District, Beijing to consider and, if thought fit, approve the Disposals. A notice of the SGM is set out on pages SGM-1 to SGM-2 of this Circular.

The voting at the SGM will be taken by poll.

After the conclusion of the SGM, the poll results will be released on the websites of the Stock Exchange and the Company respectively.

A form of proxy for use in connection with the SGM is also enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar and transfer office of the Company, Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

### **RECOMMENDATION**

The Disposals are, in the opinion of the Directors, fair and reasonable to the Company and in the interests of the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposals on terms of the Framework Agreement, the Sale and Purchase Agreement, the Subsequent Sale and Purchase Agreement and all other transactions contemplated thereunder.



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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Circular.

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

*Set out below is a summary of the audited consolidated income statement and statement of financial position of the Group for the years ended 31 December 2011, 2012 and 2013 as extracted from the annual reports of the Group for the respective years and unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2014 as extracted from the 2014 interim reports of the Group.*

## **1. FINANCIAL INFORMATION OF THE GROUP**

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2014 is disclosed in the 2014 interim report of the Company published on 16 September 2014, from pages 3 to 26, and the audited consolidated financial statements of the Group (i) for the year ended 31 December 2013 is disclosed in the 2013 annual report of the Group published on 25 April 2014, from pages 47 to 142; (ii) for the year ended 31 December 2012 is disclosed in the 2012 annual report of the Group published on 24 April 2013, from pages 29 to 95; and (iii) for the year ended 31 December 2011 is disclosed in the 2011 annual report of the Group published on 27 April 2012, from pages 25 to 93, all of which have been published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.pku-resources.com](http://www.pku-resources.com)).

## **2. INDEBTEDNESS STATEMENT**

At the close of business on 31 January 2015, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this circular, the Group had outstanding interest-bearing bank and other borrowings of approximately HKD 20,801 million which comprised unsecured bank loans and other borrowings of approximately HKD 13,484 million and secured bank loans and other borrowings of approximately HKD7,317 million. The above unsecured loans included bank loans and other borrowings of approximately HKD2,533 million guaranteed by Peking Founder, a substantial shareholder of the Company, approximately HKD230 million guaranteed by PKU Resources Group, a substantial shareholder of the Company and approximately HKD423 million jointly guaranteed by Peking Founder and PKU Resources Group; unsecured other loans of approximately HKD4,763 million were borrowed from PKU Resources Group directly or through third parties, approximately HKD3,119 million borrowed from PKU Property, a fellow subsidiary of the Company. The secured bank loans and other borrowings of approximately HKD6,669 million were secured by certain of the Remaining Group's properties under development and properties held for sale, approximately HKD92 million were secured by pledge of certain of the Group's bills receivable and approximately HKD13 million were secured by time deposits of Founder Information, a substantial shareholder of the Company.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, at the close of business on 31 January 2015, any debt securities issued and outstanding or agreed to be issued, bank borrowings or other similar indebtedness, mortgages and charges, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

After due and careful consideration, the Directors are of the opinion that, taking into account the Remaining Group's internal resources, available facilities from bank and financial institutions as well as related companies, and in the absence of unforeseen circumstances, the Remaining Group will have sufficient working capital for its present requirements for the period of twelve months from the Latest Practicable Date.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that there was 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.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Remaining Group has the same two business segments as the Group immediately before the Disposals, namely (i) the distribution business of information products in the domestic market and (ii) property development, commercial property management and property investment business. In the coming financial year, the Group will continue to be engaged in these two business segments in Hong Kong and the PRC.

For property development and property investment in the PRC, the management team has been exploring business opportunities to expand the Group's operation and enhance its earnings. The management team is actively looking for suitable investments opportunities from time to time to diversify its existing business portfolio and to broaden its source of income. Apart from the assets being disposed pursuant to the Disposals, the Remaining Group owns and operates several property development projects in the cities of Chongqing, Foshan, Wuhan, Changsha, Guiyang, Kunshan, Tianjin, Qingdao, Kaifeng, and Chengdu in the PRC. As at the Latest Practicable Date, the Group does not have intentions to dispose of the existing property development projects.

As to the distribution of information products, the management will continuously refine its product structure to avoid product overlapping and minimise market risk. 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 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.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis on the Remaining Group<sup>Note</sup>:

Set out below is the management discussion and analysis on the Remaining Group for each of the years ended 31 December 2011, 2012 and 2013 and the six-month period ended 30 June 2014 (the “Reporting Periods”). The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for the Reporting Periods.

### OPERATION

#### Overall performance

During the Reporting Periods, the Remaining Group was principally engaged in the (i) distribution of information products (“Distribution Business”); (ii) property development (“Property Development Business”) (since 2013); and (iii) property investment (“Property Investment Business”) (since 2013). The Remaining Group reported revenue of approximately HKD5,400.1 million, HKD2,724.2 million, HKD3,028.2 million for each of the years ended 31 December 2011, 2012 and 2013, respectively and approximately HKD1,851.9 million for the six-month period ended 30 June 2014. The Remaining Group reported a year-on-year decline of revenue of approximately 49.6% for 2012 but a year-on-year growth of revenue of approximately 11.2% for 2013. For the six-month period ended 30 June 2014, the Remaining Group also reported a growth of revenue of approximately 61.6%, as compared to the corresponding period last year. The decrease in revenue for the year ended 31 December 2012 was mainly attributable to the decrease in revenue of the Distribution Business as a result of keen market competition. The growth in revenue during the year ended 31 December 2013 and the six-month period ended 30 June 2014 was mainly attributable to the increase in sales of Distribution Business and Property Development Business.

The gross profit margin of the Remaining Group increased slightly from approximately 4.9% for 2011 to 5.8% for 2012, and declined to 5.4% for 2013, and 4.7% for the six-month period ended 30 June 2014.

The Remaining Group reported a net loss attributable to owners of the parent of approximately HKD8.4 million, HKD24.8 million for the year ended 31 December 2011 and 2012, compared to a net profit of approximately HKD59.8 million for the year ended 31 December 2013. The decline in the Remaining Group’s results for 2012 was primarily attributable to the significant drop in profit of the Distribution Business in 2012. The improvement in the Remaining Group’s results for 2013 was attributable to the one-off gain on bargain purchase arising from the acquisition of subsidiaries engaged in the Property Development Business and Property Investment Business of approximately HKD128.6

*Note:* The management discussion and analysis on the Remaining Group is made for each of the years ended 31 December 2011, 2012 and 2013 and the six-month period ended 30 June 2014, and is not inclusive of the reorganisation of the Group thereafter, including the acquisitions pursuant to the sale and purchase agreement dated 16 September 2014 and completed 2 January 2015. For the respective financial data, please refer to the circular of the Company dated 2 December 2014.

million. The Remaining Group reported a net loss attributable to owners of the parent of approximately HKD67.4 million for the six-month period ended 30 June 2014, compared to a net profit of approximately HKD72.4 million for the corresponding period last year, because last period's figure included a gain on bargain purchase of approximately HKD128.6 million.

### Segment information

#### *Distribution Business*

The Distribution Business reported revenue of approximately HKD5,400.1 million, HKD2,724.2 million and HKD2,977.1 million for each of the years ended 31 December 2011, 2012 and 2013 respectively and approximately HKD1,661.8 million for the six-month period ended 30 June 2014. The Distribution Business reported a year-on-year decline of revenue of approximately 49.6% for 2012, attributable to the streamline of various product lines to concentrate the effort on product lines with better profit margin in view of intense competition in the distribution market. The Distribution Business recorded a year-on-year growth of revenue of approximately 9.3% for 2013 and approximately 48.1% for the six-month period ended 30 June 2014, attributable to launch of new products of existing and new product lines during the period.

The Distribution Business of the Group is 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, Iomega, Kecom, Avaya and Eaton.

#### *Property Development Business*

The Remaining Group commenced a new operating segment in property development in January 2013 after completing the acquisition of the entire equity interests in Hong Kong Tianranju and Hong Kong Tianhe Holdings Limited ("Hong Kong Tianhe") from Founder Information, the substantial shareholder of the Company.

The Property Development Business reported revenue of nil for the year ended 31 December 2013 since its acquisition in January 2013 and approximately HKD162.4 million for the six-month period ended 30 June 2014.

PKU Resources • Time project is located in Yanghupian Zone, Yuelu District, West of Xiangjiang, Changsha City, with Xiangjiang to the east, Yuelu Mountain on the north and Dawangshan Resort, Tourism and Exhibition Centre (大王山度假旅遊會議中心) on the south. Yanghu Wetland Park (洋湖濕地公園) was built thereon, which covers an area of 6,000 mu and is the largest urban wetland park in the central region. Located in the river landscape of Jin Jiang (靳江), the project is included in the geographical scope of "West Changsha River Exemplary Zone" (長沙大河西先導區) established by the Changsha City Government. The

aggregate contract value amounts to RMB44.98 million in the first half of 2014. PKU Resources • Time project is positioned as a high-end community for Yanghu wealthy people. It is expected that the project will continue to increase the Group's investment value.

PKU Resources • Li Cheng project is erected on two various parcels of land located on the southern side of Yingbin Road, Bacheng Town, Kunshan city, Jiangsu province and the western side of Zhangjiagang River. The project has a site area of 288,518 sq.m., and aims to create a complex concept city for culture and creativity suitable for living, industry and travel by combining natural ecology, commercial office, sports and leisure, living and residence. With intense construction and completion of development products, the integration of landscape design and cultural industry has showed results. Supporting facilities are being improved with comfortable regional environment suitable for living, and the complementarity between “green, ecology” and “culture” is achieved here, reflecting the value of the project. The sales of the project continued in 2014 with realized contract value of approximately RMB109.93 million in the first half of 2014. Kunshan city is located in the southeastern part of Jiangsu province and adjacent to the border with the Shanghai Municipality, with superior geographical location. It is located in one of the most vigorous region in China, and as one of the most economically successful county of top 100 counties in China, it is expected that there will be a huge growth potential for Kunsan property industry.

Honglianhua Project in Hubei is composed of six adjacent vacant land parcels located in Huarong District, Ezhou City, Hubei Province, China. It has a total site area of approximately 674,597.2 sq.m. and is expected to be launched for sale in the fourth quarter of 2014. Ezhou city is a famous historic-cultural city and also known as “Landscape Garden City” (山水園林城), the best place for living, or “Eco-tourism City” (生態旅遊城). There are 133 lakes and 650,000 mu of water areas in Ezhou city. Therefore, it is renowned as “100-Lake City” (百湖之市) and “Land of Plenty Resources” (魚米之鄉). With the gradual establishment of Ezhou High-New Zone, it is expected that the investment value of the Group's residential land will continue to increase.

PKU Resources Plaza is located at the core of Universal Wealth Centre in the Laoshan district of Qingdao City, Shandong Province. It is a high-end commercial complex comprised of financial commercial operations and 5A office buildings. Its planned gross floor area is 103,659 sq.m. and the sales office is already open. PKU Resources Plaza is developed and managed by Qingdao Boya Real Estate Company Limited, a non-wholly-owned subsidiary of the Group, with extensive development prospect in the future.

The newly secured PKU Resources • Yuefu project in 2014 is located at Donglihu district of Tianjin City. The total site area is 235,635 sq.m., and it is designed to include French town houses and high-rise apartments. The project is developed and managed by Tianjin Peking University Resources Properties Limited, a non-wholly-owned subsidiary of the Company. The property market in Tianjin is relatively positive with relatively strong demand, demonstrating huge appreciation potential in the region. The project is expected to provide new profit growth point for the Group.

On 9 July 2014, Tianjin Boya Properties Limited, a non-wholly-owned subsidiary of the Company, acquired a parcel of land of 66,543.8 sq.m. in He Xi District, Tianjin City. The land is located in the southeast of the cross of Hei Niu Cheng Road and Hong Ze Nan Road, He Xi District, Tianjin, the PRC. Approximately 36,990.2 sq.m. of the lot is for residential buildings, approximately 26,593.9 sq.m. is for commercial buildings and approximately 5,500 sq.m. is for open areas.

In the opinion of the management of the Group, the demand of the property industry in China will be stable in the second half of the year. Property development business will offer appreciation potential with a promising earnings outlook, which will continue to provide new profit growth point for the Group.

#### *Property Investment Business*

The Remaining Group commenced a new operating segment in property investment in January 2013 after completing the acquisition of the entire equity interests in Hong Kong Tianranju and Hong Kong Tianhe from Founder Information, the substantial shareholder of the Company.

The Property Investment Business reported revenue of approximately HKD51.1 million for the year ended 31 December 2013 since its acquisition in January 2013 and approximately HKD27.7 million for the six-month period ended 30 June 2014. The Property Investment Business reported an increase in revenue of approximately 15.6% for the six-month period ended 30 June 2014.

Founder International Building is located in the west zone of Zhongguan Village, Haidian District, Beijing City. With its superb location, it covers an area of 5,121 sq.m. with a total gross floor area of 51,159.23 sq.m. The building has 17 floors overground and 4 floors underground, with the 1st to 3rd floors for commercial use and the 3rd to 17th floors as offices. In the first half of 2014, Founder International Building achieved accumulated rental income of RMB19.71 million, representing an increase of 17% as compared to the corresponding period of last year. In Beijing, the property prices showed another round of booming in the first half of 2014, further suggesting a strong rigid demand for properties in Beijing. As a well-known commercial property in Zhongguancun, Founder International Building also benefited from such rise in property prices and will continue to provide steady cash flow for the Group.

International Building of Wuhan is located at Dandong Road, Jiangnan District, a flourishing street in Wuhan city. The property has a total gross floor area of 26,963.32 sq.m. and its aggregate monthly rental amounted to approximately RMB597,000. It comprises an office complex and office units at specified levels, with almost full occupancy now. The legitimate owner of the land use right is Hubei Tianranju Business Management Limited (湖北天然居商業運營管理公司), a wholly-owned subsidiary of Hong Kong Tianranju Holdings Limited. Wuhan property has huge potential for economic growth in the future and may become a new economic growth point.

On 19 June 2014, the Group entered into the provisional agreement to purchase the property in Wanchai, Hong Kong for a total consideration of approximately HKD133.0 million. The Group will either use the property by itself or lease out the property after completion for rental income, depending on the then market circumstances. The directors believe in the long term prospect of commercial properties in Hong Kong and hence consider that the acquisition will strengthen the Group's property portfolio and/or income base.

### **Employees**

During the Reporting Periods, the Remaining Group had developed its human resources policies and procedures based on performance and merit. The Remaining Group ensured that the pay level of its employees was competitive and employees were rewarded on a performance-related basis within the general framework of the Remaining Group's salary and bonus systems. The Remaining Group provided on-the-job training to its employees in addition to retirement benefit schemes and medical insurance. Employees were offered discretionary year-end bonus based on individual merit.

The Remaining Group operated a share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Remaining Group to recognise their contribution to the success of the Remaining Group. For the year ended 31 December 2013, share options had been granted to eligible directors or employees by the Company.

As at the end of each of the Reporting Periods, the total number of employees of the Remaining Group was 718, 523, 600 and 640, respectively.

## **FINANCIAL INFORMATION**

### **Liquidity and financial resources**

As at the end of each of the Reporting Periods, the Remaining Group recorded total assets of HKD1,921.7 million, HKD1,344.7 million, HKD5,788.1 million and HKD6,755.6 million, respectively, which were financed by liabilities of HKD1,582.5 million, HKD1,024.7 million, HKD4,255.9 million and HKD5,320.9 million respectively, non-controlling interests of nil, nil, HKD356.2 million and HKD343.9 million respectively and shareholders' equity of HKD339.2 million, HKD320.0 million, HKD1,176.0 million and HKD1,090.8 million respectively. The increase in total assets as at 31 December 2013 was due to newly acquired Property Development Business and Property Investment Business. The increase in total assets as at 30 June 2014 was attributable to increase in properties under development in the PRC.

The Remaining Group had a total cash and bank balances of HKD530.4 million, HKD398.3 million, HKD1,011.4 million and HKD688.0 million respectively as at the end of each of the Reporting Periods. The Remaining Group had a total bank and other borrowings of HKD566.9 million, HKD262.7 million, HKD1,458.3 million and HKD2,903.7 million respectively as at the end of each of the Reporting Periods. The Group's borrowings, which are subject to little seasonality, consist of mainly bank loans, trust receipt loans and loans



from PKU Resources Group. Bank and other borrowings are denominated in Renminbi (“RMB”) and United States Dollars (“U.S. dollars”). The Remaining Group’s banking facilities were secured by corporate guarantee given by the Company and Peking University Founder Group Company Limited, and certain of the Group’s bank deposits and bills receivable. The increase in bank and other borrowings since 2013 was mainly attributable to the expansion of Property Development Business and Distribution Business.

The Remaining Group’s gearing ratios (measured on the basis of total bank borrowings as a percentage of total shareholders’ equity) were 1.67, 6.82, 1.24 and 2.66 as at the end of each of the Reporting Periods.

As at the end of each of the Reporting Period, the capital commitments for contracted, but not provided for, properties under development were approximately nil, nil, HKD565.2 million and HKD926.8 million, respectively. As at the end of each of the Reporting Period, the capital commitments for contracted, but not provided for, property, plant and equipment were approximately nil, nil, nil and HKD127.0 million, respectively.

### **Treasury policy**

During the Reporting Periods, the Remaining Group adopted conservative treasury policies and had tight controls over its cash management. The Remaining Group’s cash and cash equivalents were held mainly in HKD, RMB and US\$. Surplus cash was generally placed in short to medium term deposits in light of the Remaining Group’s funding requirements.

### **Exposure to fluctuations in exchange rates and related hedges**

During the Reporting Periods, the Remaining Group operated mainly in Hong Kong and Mainland China. For the operations in Hong Kong, most of the transactions were denominated in HKD and US\$. The exchange rate of US\$ against HKD was relatively stable and the related currency exchange risk was considered minimal. For the operations in Mainland China, most of the transactions were denominated in RMB. No financial instrument was used for hedging purposes. It was expected that the appreciation of RMB in the long-run would have a favourable impact on the Remaining Group.

### **Significant investments, material acquisitions and disposals of subsidiaries and associates**

During the Reporting Periods, the Remaining Group acquired the entire equity interests in Hong Kong Tianranju and Hong Kong Tianhe from Founder Information.

### **Charges on assets**

As at the end of the Reporting Periods, bank deposits of approximately HKD81.2 million, HKD106.3 million, HKD194.6 million, HKD191.9 million, and bills receivable of approximately nil, nil, HKD34.3 million and HKD42.1 million, were pledged to banks to

secure general banking facilities granted, as deposits for construction of the relevant properties and as guarantees deposits for certain mortgage loans granted by banks to purchasers of the Remaining Group's properties.

### **Contingent liabilities**

As at 31 December 2011 and 2012, the Remaining Group did not have any contingent liabilities.

As at 31 December 2013 and 30 June 2014, the Remaining Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately HKD294.9 million and HKD392.1 million. This represented the guarantees in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Remaining Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Remaining Group is responsible to repay the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers and the Remaining Group is entitled (but not limited to) to take over the legal titles and possession of the related properties. The Remaining Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which are generally available within one to two years after the purchases take possession of the relevant properties.

The fair value of the guarantees is not significant and the directors of the Company consider that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore no provision has been made for the guarantees in the consolidated financial statements of the Remaining Group as at 31 December 2013 and 30 June 2014.

## **7. FINANCIAL AND TRADING PROSPECTS**

### **a) Overview**

The Disposal will not influence the business of the Company greatly for: (1) the total asset of the targets was only 6.46% of the Company; (2) the target has not completed any property development project and therefore no revenue was generated.

The Remaining Group will continue to be engaged in property development and property investment in the PRC and the distribution of information products in Hong Kong and the PRC.

### **b) Financial Overview**

#### *Profit and loss*

Due to the disposal, the Remaining Group would record a gain of approximately HKD738 million.

Loss for the year ended 31 December 2013 attributable to the owners of the parent would turn around to profit of approximately HKD402 million.

*Liquidity, financial position and capital structure*

As at 30 June 2014, the Remaining Group had cash and cash equivalents of approximately HKD3,298 million if the disposal had been completed on 30 June 2014. Due to the disposal, the current assets and current liabilities of the Group would not slightly change. The current ratio of the Remaining Group was approximately 1.36 times.

Due to the disposal, the total assets would decrease from HKD35.20 billion to HKD34.33 billion, and the total liabilities would decrease from HKD32.09 billion to HKD30.67 billion. The gearing ratio would decrease from 91.15% to 89.32%.

## 1. FINANCIAL INFORMATION OF THE TARGET

## Qingdao Bolai

Set out below are the financial information of Qingdao Bolai which comprises the unaudited statements of financial position of the Qingdao Bolai as at 31 December 2013 and 30 September 2014 (the “Relevant Periods”) and the unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows of the Qingdao Bolai for each of the periods then ended and certain explanatory notes (the “Unaudited Financial Information”). The Unaudited Financial Information has been reviewed by the independent auditors of the Company, Dominic K. F. Chan & Co., in accordance with the Hong Kong Standard on Review Engagements 2400 “Engagements to Review Financial Statements” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, nothing has come to their attention that causes them to believe that the Unaudited Financial Information of the Qingdao Bolai is not prepared, in all material respects, in accordance with accounting policies used in the preparation of the financial statements of the Group as set out in the annual report of the Company for the year ended 31 December 2013 and the unaudited interim report of the Company for the six months ended 30 June 2014 published on 27 August 2014, and the basis of preparation set out in Note 2 to the Unaudited Financial Information of the Qingdao Bolai.

## A. Statements of profit or loss

	<b>Period from 23 December 2013 (date of incorporation) to 31 December 2013 RMB'000</b>	<b>Nine month ended 30 September 2014 RMB'000</b>
Other income and gains	–	51
Selling and marketing costs	–	(3,103)
Administrative expenses	(271)	(4,406)
Finance costs	(3,653)	–
Other operating expenses	–	(290)
LOSS BEFORE TAX	(3,924)	(7,748)
Income tax expenses	–	–
LOSS FOR THE YEAR/PERIOD	<u>(3,924)</u>	<u>(7,748)</u>

**B. Statements of financial position**

	<b>As at 31 December 2013 RMB'000</b>	<b>As at 30 September 2014 RMB'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipments	–	107
Intangible assets	–	20
<b>Total non-Current Assets</b>	<u>–</u>	<u>127</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	10,004	16,706
Properties under development	544,689	1,155,002
Due from fellow subsidiaries	–	100
Prepayments	–	2,782
Other receivables	–	18,482
<b>Total Current Assets</b>	<u>554,693</u>	<u>1,193,072</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	–	2,714
Due to the intermediate holding company	544,790	–
Due to a fellow subsidiary	3,827	10,707
Other tax payables	–	206
Other payables and accruals	–	740
<b>Total Current Liabilities</b>	<u>548,617</u>	<u>14,367</u>
<b>Non-current liabilities</b>		
Interest-bearing bank loans	–	1,130,504
<b>Total Non-current Liabilities</b>	<u>–</u>	<u>1,130,504</u>
<b>Net assets</b>	<u>6,076</u>	<u>48,328</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	10,000	60,000
Reserves	(3,924)	(11,672)
<b>Total Equities</b>	<u>6,076</u>	<u>48,328</u>

## C. Statement of changes in equity

	<b>Share capital</b> <i>RMB'000</i>	<b>Accumulated losses</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
At 23 December 2013	–	–	–
Issue of share capital	10,000	–	10,000
Loss for the period	–	(3,924)	(3,924)
At 31 December 2013 and 1 January 2014	10,000	(3,924)	6,076
Issue of share capital	50,000	–	50,000
Loss for the period	–	(7,748)	(7,748)
At 30 September 2014	<u>60,000</u>	<u>(11,672)</u>	<u>48,328</u>

## D. Statement of cash flows

	Period ended 31 December 2013 <i>RMB'000</i>	Nine months ended 30 September 2014 <i>RMB'000</i>
<b>Operating activities</b>		
Loss before taxation	(3,924)	(7,748)
Adjustments for:		
Depreciation	–	19
Finance costs	3,653	–
Interest income	–	(51)
	<u>–</u>	<u>(51)</u>
<b>Operating cash flows before movements in working capital</b>	(271)	(7,780)
Increase in properties under development	(544,689)	(610,313)
Increase in amounts due from fellow subsidiaries	–	(100)
Increase in prepayments and other receivables	–	(21,264)
Increase in accounts payable	–	2,714
Increase/(decrease) in amount due to the immediate holding company	544,790	(544,790)
Increase in amount due to a fellow subsidiary	3,827	6,880
Increase in accruals and other payables	–	946
	<u>–</u>	<u>946</u>
<b>Net cash generated from/(used in) operating activities</b>	<u>3,657</u>	<u>(1,173,707)</u>
<b>Investing activities</b>		
Interest received	–	51
Purchase of property, plant and equipment	–	(126)
Purchase of intangible assets (included under PPE)	–	(20)
	<u>–</u>	<u>(20)</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>–</u>	<u>(95)</u>
<b>Financing activities</b>		
Interest paid	(3,653)	–
Proceeds from new bank loans	–	1,130,504
Proceeds from issue of shares	10,000	50,000
	<u>10,000</u>	<u>50,000</u>
<b>Net cash generated from financing activities</b>	<u>6,347</u>	<u>1,180,504</u>
<b>Net increase in cash and cash equivalents</b>	10,004	6,702
<b>Cash and cash equivalents at the beginning of the period</b>	<u>–</u>	<u>10,004</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>10,004</u></u>	<u><u>16,706</u></u>

**NOTES TO FINANCIAL INFORMATION****1. GENERAL INFORMATION**

On 16 February 2015, Qingdao Boya Huafu Property Co., Limited (a non-wholly owned subsidiary of the Company) entered into the Sale and Purchase Agreement and made the Announcement on 3 March 2015. Upon the Disposal Completion, the Qingdao Bolai Property Co., Limited (“Qingdao Bolai”) will cease to be a subsidiary of the Company.

**2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION**

The financial information of the Target Group has been prepared in accordance with Rule 14.68(2)(a)(i) of the Listing Rules, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal. The amounts in the financial information for each of the years ended 31 December 2013 and for the nine months ended 30 September 2014 have been recognised and measured in accordance with the relevant accounting policies of the Group adopted in the preparation of its financial statements, which conform with the Hong Kong Financial Reporting Standards issued by the HKICPA.

The financial information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements”. The unaudited statement of profit or loss and other comprehensive income, unaudited statement of changes in equity and unaudited statement of cash flows of the Qingdao Bolai for each of the years ended 31 December 2013 and for the nine months ended 30 September 2014 include the results, changes in equity and cash flows of the Qingdao Bolai throughout the years ended 31 December 2013 and for the nine months ended 30 September 2014. The unaudited statement of financial position of the Qingdao Bolai as at 31 December 2013 and as at 30 September 2014 include assets, liabilities and equity of the Qingdao Bolai which were in existence on those dates.

**3. EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed elsewhere in the financial information, there was no significant event which happened after the end of the reporting period.



**Hong Kong Tianranju**

Set out below are the financial information of Hong Kong Tianranju which comprises the unaudited consolidated statements of financial position of the Hong Kong Tianranju as at 31 December 2012, 2013 and 2014 and 28 February 2015 (the “Relevant Periods”) and the unaudited consolidated statements of profit or loss and other comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows of the Hong Kong Tianranju for each of the periods then ended and certain explanatory notes (the “Unaudited Consolidated Financial Information”). The Unaudited Consolidated Financial Information has been reviewed by the independent auditors of the Company, Dominic K. F. Chan & Co., in accordance with the Hong Kong Standard on Review Engagements 2400 “Engagements to Review Financial Statements” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, nothing has come to their attention that causes them to believe that the Unaudited Consolidated Financial Information of the Hong Kong Tianranju is not prepared, in all material respects, in accordance with accounting policies used in the preparation of the consolidated financial statements of the Group as set out in the annual report of the Company for the year ended 31 December 2013 and the unaudited interim report of the Company for the six months ended 30 June 2014 published on 27 August 2014, and the basis of preparation set out in Note 2 to the Unaudited Consolidated Financial Information of the Hong Kong Tianranju.

**A. Consolidated statements of profit or loss**

	Year ended 31 December			Two months ended 28 February
	2012	2013	2014	2015
	HKD'000	HKD'000	HKD'000	HKD'000
Other income and gains	–	3	–	1
Administrative expenses	<u>(37)</u>	<u>(38)</u>	<u>(37)</u>	<u>(85)</u>
LOSS BEFORE TAX	(37)	(35)	(37)	(84)
Income tax expenses	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
LOSS FOR THE YEAR/ PERIOD	<u><u>(37)</u></u>	<u><u>(35)</u></u>	<u><u>(37)</u></u>	<u><u>(84)</u></u>
<b>Arrivable to:</b>				
Owners of the parent	(37)	(35)	(37)	(79)
Non-controlling interests	<u>–</u>	<u>–</u>	<u>–</u>	<u>(5)</u>
	<u><u>(37)</u></u>	<u><u>(35)</u></u>	<u><u>(37)</u></u>	<u><u>(84)</u></u>

## B. Consolidated statements of financial position

	As at 31 December			As at 28
	2012	2013	2014	February
	HKD'000	HKD'000	HKD'000	2015
				HKD'000
<b>NON-CURRENT ASSETS</b>				
Prepaid land lease payments	—	—	—	1,080,069
<b>Total non-Current Assets</b>	—	—	—	1,080,069
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	645	646	645	3
Due from the immediate holding company	4,251	—	—	—
Due from the intermediate holding company	—	4,251	4,151	—
Due from fellow subsidiaries	19,843	19,851	19,851	—
Other receivables	7	—	—	—
<b>Total Current Assets</b>	24,746	24,748	24,647	3
<b>CURRENT LIABILITIES</b>				
Accounts payable	—	—	—	55
Due to the intermediate holding company	—	77	—	861,396
Due to a fellow subsidiary	5,000	5,000	5,000	—
Other payables and accruals	40	—	13	127
<b>Total Current Liabilities</b>	5,040	5,077	5,013	861,578
<b>Net assets</b>	<u>19,706</u>	<u>19,671</u>	<u>19,634</u>	<u>218,494</u>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Issued capital	19,822	19,822	19,822	19,822
Reserves	(116)	(151)	(188)	(1,333)
	<u>19,706</u>	<u>19,671</u>	<u>19,634</u>	<u>18,489</u>
Non-controlling interests	—	—	—	200,005
<b>Total Equities</b>	<u>19,706</u>	<u>19,671</u>	<u>19,634</u>	<u>218,494</u>

## C. Consolidated statement of changes in equity

	Share capital	Exchange fluctuation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 1 January 2012	19,822	–	(79)	19,743	–	19,743
Loss for the year	–	–	(37)	(37)	–	(37)
At 31 December 2012 and 1 January 2013	19,822	–	(116)	19,706	–	19,706
Loss for the year	–	–	(35)	(35)	–	(35)
At 31 December 2013 and 1 January 2014	19,822	–	(151)	19,671	–	19,671
Loss for the year	–	–	(37)	(37)	–	(37)
At 31 December 2014 and 1 January 2015	19,822	–	(188)	19,634	–	19,634
Investment in a subsidiary	–	–	–	–	200,010	200,010
Loss for the period	–	–	(79)	(79)	(5)	(84)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	–	(1,066)	–	(1,066)	–	(1,066)
At 28 February 2015	<u>19,822</u>	<u>(1,066)</u>	<u>(267)</u>	<u>18,489</u>	<u>200,005</u>	<u>218,494</u>

## D. Consolidated statement of cash flows

	Year ended 31 December			Two months ended 28 February
	2012 HKD'000	2013 HKD'000	2014 HKD'000	2015 HKD'000
<b>Operating activities</b>				
Loss before taxation	(37)	(35)	(37)	(84)
Adjustment for:				
Interest income	—	(3)	—	(1)
<b>Operating cash flows before movements in working capital</b>	(37)	(38)	(37)	(85)
(Increase)/decrease in other receivables	(1)	7	—	—
(Increase)/decrease in an amount due from the immediate holding company	(3,727)	4,251	—	—
(Increase)/decrease in an amount due from the intermediate holding company	—	(4,251)	100	4,151
(Increase)/decrease in amounts due from fellow subsidiaries	(37)	(8)	—	19,851
Increase in accounts payable	—	—	—	55
(Decrease)/increase in accruals and other payables	(6)	(40)	13	114
Increase/(decrease) in an amount due to the intermediate holding company	—	77	(77)	861,396
Decrease in an amount due to a fellow subsidiary	—	—	—	(5,000)
<b>Net cash generated from/(used in) operating activities</b>	<u>(3,808)</u>	<u>(2)</u>	<u>(1)</u>	<u>880,482</u>
<b>Investing activities</b>				
Interest received	—	3	—	1
Increase in prepaid land lease payments	—	—	—	(1,081,135)
<b>Net cash generated from/(used in) investing activities</b>	<u>—</u>	<u>3</u>	<u>—</u>	<u>(1,081,134)</u>
<b>Financing activity</b>				
Capital injections from non-controlling interests	—	—	—	200,010
<b>Net cash generated from financing activity</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>200,010</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,808)	1	(1)	(642)
<b>Cash and cash equivalents at the beginning of the year/period</b>	<u>4,453</u>	<u>645</u>	<u>646</u>	<u>645</u>
<b>Cash and cash equivalents at the end of the year/period</b>	<u><u>645</u></u>	<u><u>646</u></u>	<u><u>645</u></u>	<u><u>3</u></u>

**NOTES TO FINANCIAL INFORMATION****1. GENERAL INFORMATION**

On 10 March 2015, Peking University Resources (Holdings) Company Limited entered into the Subsequent Sale and Purchase Agreement and made the Announcement on 10 March 2015. Upon the Disposal Completion, the Hong Kong Tianranju Holdings Limited (“Hong Kong Tianranju”) will cease to be a subsidiary of the Company.

**2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION**

The financial information of the Hong Kong Tianranju has been prepared in accordance with Rule 14.68(2)(a)(i) of the Listing Rules, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal. The amounts in the financial information for each of the years ended 31 December 2012, 2013 and 2014 and for the two months ended 28 February 2015 have been recognised and measured in accordance with the relevant accounting policies of the Group adopted in the preparation of its consolidated financial statements, which conform with the Hong Kong Financial Reporting Standards issued by the HKICPA.

The financial information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements”. The unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of changes in equity and unaudited consolidated statement of cash flows of the Hong Kong Tianranju for each of the years ended 31 December 2012, 2013 and 2014 and for the two months ended 28 February 2015 include the results, changes in equity and cash flows of the Hong Kong Tianranju throughout the years ended 31 December 2012, 2013 and 2014 and for the two months ended 28 February 2015. The unaudited consolidated statement of financial position of the Hong Kong Tianranju as at 31 December 2012, 2013, 2014 and as at 28 February include assets, liabilities and equity of the Hong Kong Tianranju which were in existence on those dates.

Pursuant to the sale and purchase agreement entered into between Hong Kong Tianranju and Hong Kong Peking University Resource Property Holdings Limited, the fellow subsidiary of Hong Kong Tianranju, Hong Kong Tianranju disposed of the entire equity interests in Hubei Tianranju Business Management Limited to Hong Kong Peking University Resource Property Holdings Limited. Since Hong Kong Tianranju and Hong Kong Peking University Resource Property Holdings Limited are under common control of Peking University Resources (Holdings) Company Limited, the financial information of Hong Kong Tianranju for the year ended 31 December 2012, 2013 and 2014 have been prepared on the basis as if the equity interests of Hubei Tianranju Business Management Limited has been disposed of as at 1 January 2012 using the principles of merger accounting.

**3. EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed elsewhere in the financial information, there was no significant event which happened after the end of the reporting period.

## 2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET

Set out below is the management discussion and analysis on the Target:

### A. Qingdao Bolai

#### a) Overview

Qingdao Bolai is a limited liability company incorporated in the PRC and is principally engaged in property development. PKU Resources indirectly owns 70% of the equity interests in Qingdao Bolai. Qingdao Bolai was established in December 2013 and has interest in a residential town and commercial property development project known as PKU Resources – Boya Huafu Project in Qingdao city, Shandong Province, China.

#### b) Financial Overview

##### 1. *Period from 23 December to 31 December 2013*

###### *Profit and loss*

For the Period ended 31 December 2013, Qingdao Bolai has not completed any property development project and therefore no revenue was generated.

Finance costs of approximately RMB3,653,000 for the period was contributed by interest on loans from PKU Resources Group.

Loss for the period attributable to the owners of the parent was approximately RMB3,924,000.

###### *Liquidity, financial position and capital structure*

During the Period ended 31 December 2013, Qingdao Bolai funded its operations mainly by internal resources. As at 31 December 2013, Qingdao Bolai had cash and cash equivalent of approximately RMB10,004,000, all denominated in RMB.

During the period ended 31 December 2013, Qingdao Bolai did not have a formal hedging policy and no financial instrument was used for hedging purpose.

As at 31 December 2013, Qingdao Bolai's current assets and current liabilities of were approximately RMB555 million and RMB549 million, respectively. The current ratio was approximately 1.01 times as at 31 December 2013.

Qingdao Bolai's total assets and total liabilities as at 31 December 2013 amounted to approximately RMB555 million and RMB549 million, respectively. The gearing ratio, represented by total liabilities as a percentage of total assets, was approximately 98.9% as at 31 December 2013.

*Significant acquisition and disposal*

There was no material acquisition or disposal of subsidiary and associated company by Qingdao Bolai as at 31 December 2013.

*Significant Investment*

There was no significant investment held by Qingdao Bolai as at 31 December 2013.

*Charges on Qingdao Bolai's assets*

As at 31 December 2013, none of Qingdao Bolai's assets was pledged.

*Contingent liabilities*

Qingdao Bolai did not have any significant contingent liabilities as at 31 December 2013.

*Dividend*

Qingdao Bolai did not declare or pay dividend for the year ended 31 December 2013.

**2. For the nine months ended 30 September 2014***Profit and loss*

For the nine month ended 30 September 2014, Qingdao Bolai has not completed any property development project and therefore no revenue was generated.

Selling and marketing expenses and administrative expenses were approximately RMB3.1 million and RMB4.4 million for the nine month ended 30 September 2013, respectively. Selling and marketing expenses primarily due to the preparation expense of the presale of Boya Huafu Project starting from November 2014. Administrative expenses mainly represented employee benefit expenses, rental and office expenses and other miscellaneous expenses.

Loss for the year attributable to the owners of the parent was approximately RMB7.7 million for the nine month ended 30 September 2014.

*Liquidity, financial position and capital structure*

During the period ended 30 September 2014, Qingdao Bolai funded its operations mainly by bank and other borrowings, which were subject to little seasonality. As at 30 September 2014, Qingdao Bolai had cash and cash equivalents of approximately RMB16.7 million, all denominated in RMB. As at

30 September 2014, Qingdao Bolai had bank loans and other borrowings of approximately RMB1,130.5 million. The effective average interest rate was 10.3 – 12%. All bank and other borrowings were denominated in RMB with fixed interest rate.

During the period ended 30 September 2014, Qingdao Bolai did not have a formal hedging policy and no financial instrument was used for hedging purpose.

As at 30 September 2014, the current assets and current liabilities of Qingdao Bolai were approximately RMB1,193.1 million and RMB14.4 million, respectively. The current ratio was approximately 87.04 times as at 30 September 2014.

Qingdao Bolai's total assets and total liabilities as at 30 September 2014 amounted to approximately RMB1,193.2 million and RMB1,144.9 million, respectively. The gearing ratio as at 30 September 2014 was 96.0% (31 December 2013: 98.9%).

#### *Significant acquisition and disposal*

There was no material acquisition or disposal of subsidiary and associated company by Qingdao Bolai during the period ended 30 September 2014.

#### *Significant investment*

There was no significant investment held by Qingdao Bolai as at 30 September 2014.

#### *Charges on Qingdao Bolai's assets*

As at 30 September 2014, none of Qingdao Bolai's assets was pledged.

#### *Contingent liabilities*

Qingdao Bolai did not have any significant contingent liabilities as at 30 September 2014.

#### *Dividend*

Qingdao Bolai did not declare or pay dividend for the period ended 30 September 2014.



*c) Employment and Remuneration Policy*

Qingdao Bolai had no employees for the period ended 31 December 2013 and the nine months ended 30 September 2014, respectively. The remuneration policy is set out by the board of directors of the companies comprising Qingdao Bolai on the basis of their experience, merit, qualifications and competence. Apart from basic salaries, annual target performance related bonuses were awarded to certain staffs.

Currently there are no share option schemes available for employees of the Qingdao Bolai. Internal and external technical and professional training is provided to employees.

The PRC employees of Qingdao Bolai are members of a state-managed retirement benefit scheme operated by the local government. Qingdao Resources Group is required to contribute a certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Qingdao Bolai with respect to the retirement benefit scheme is to make the specified contributions. During the period ended 31 December 2013 and the nine months period ended 30 September 2014, the total employee benefit expenses of Qingdao Bolai (including total contributions to the retirement benefit schemes) was approximately Nil and RMB562,000, respectively.

**B. Hong Kong Tianranju**

**a) Overview**

Hong Kong Tianranju is a limited liability company incorporated in Hong Kong and is principally engaged in property development. PKU Resources directly owns 100% of the equity interests in Hong Kong Tianranju, which in turns owns 81.48% of the equity interests in Qingdao Bofu. Qingdao Bofu was established in February 2015 and has interest in a residential town and commercial property development project in Qingdao City, Shandong Province, China. Please refer the Circular of *major transaction acquisition of land use rights in Qingdao, the PRC* dated 16 February 2015 for details.

**b) Financial Overview**

**1. Years ended 31 December 2012, 2013 and 2014**

*Profit and loss*

For the years ended 31 December 2012, 2013 and 2014, Hong Kong Tianranju has not completed any property development project and therefore no revenue was generated.

Administration expenses of for the years ended 31 December 2012, 2013 and 2014 was approximately HKD37,000, HKD39,000 and HKD36,000, respectively.

Loss attributable to the owners of the parent for the years ended 31 December 2012, 2013 and 2014 was approximately HKD37,000, HKD36,000 and HKD36,000, respectively.

*Liquidity, financial position and capital structure*

During the period ended 31 December 2012, 2013 and 2014, Hong Kong Tianranju funded its operations mainly by internal resources. As at 31 December 2012, 2013 and 2014, Hong Kong Tianranju had cash and cash equivalent of approximately HKD645,000, HKD646,000, and HKD645,000, respectively, all denominated in HKD.

During the period ended 31 December 2012, 2013 and 2014, Hong Kong Tianranju did not have a formal hedging policy and no financial instrument was used for hedging purpose.

As at 31 December 2012, 2013 and 2014, Hong Kong Tianranju's current ratio was approximately 4.91, 4.87 and 4.94 times, respectively.

Hong Kong Tianranju's gearing ratio, represented by total liabilities as a percentage of total assets, was approximately 20.4%, 20.5% and 20.3% as at 31 December 2012, 2013 and 2014, respectively.

*Significant acquisition and disposal*

There was no material acquisition or disposal of subsidiary and associated company by Hong Kong Tianranju as at 31 December 2012, 2013 and 2014.

*Significant Investment*

There was no significant investment held by Hong Kong Tianranju as at 31 December 2012, 2013 and 2014.

*Charges on Hong Kong Tianranju's assets*

As at 31 December 2012, 2013 and 2014, none of Hong Kong Tianranju's assets was pledged.

*Contingent liabilities*

Hong Kong Tianranju did not have any significant contingent liabilities as at 31 December 2012, 2013 and 2014.

*Dividend*

Hong Kong Tianranju did not declare or pay dividend for the year ended 31 December 2013.

## 2. For the two months ended 28 February 2015

### *Profit and loss*

For the two months ended 28 February 2015, Hong Kong Tianranju has not completed any property development project and therefore no revenue was generated.

Administrative expenses were approximately HKD85,000 for the two months ended 28 February 2015, which primarily due to the legal expense of approximately HKD55,000 for preparation files of land acquisition in Qingdao.

Loss for the year attributable to the owners of the parent was approximately HKD79,000 for two months ended 28 February 2015.

### *Liquidity, financial position and capital structure*

During the two months ended 28 February 2015, Hong Kong Tianranju funded its operations mainly by interest-free loan from PKU Resources.

During the period ended 28 February 2015, Qingdao Bolai did not have a formal hedging policy and no financial instrument was used for hedging purpose.

As at 28 February 2015, the current assets and current liabilities of Hong Kong Tianranju were approximately HKD3,000 and HKD861.6 million, respectively.

Hong Kong Tianranju's total assets and total liabilities as at 28 February 2015 amounted to approximately HKD1,080.1 million and HKD861.6 million, respectively. The gearing ratio as at 28 February 2015 was 79.8% (31 December 2012: 20.4%, 31 December 2013: 20.5%; 31 December 2014: 20.3%).

### *Significant acquisition and disposal*

Hong Kong Tianranju had completed the disposal of the Hubei Tianranju Management Co., Limited to a wholly-owned subsidiary of the Company since 5 February 2015.

### *Significant investment*

There was no significant investment held by Hong Kong Tianranju as at 30 September 2014.

### *Charges on Hong Kong Tianranju's assets*

As at 28 February 2015, none of Hong Kong Tianranju's assets was pledged.

*Contingent liabilities*

Hong Kong Tianranju did not have any significant contingent liabilities as at 28 February 2015.

*Dividend*

Hong Kong Tianranju did not declare or pay dividend for the period ended 28 February 2015.

**c) Employment and Remuneration Policy**

Hong Kong Tianranju had no employees for the period ended 31 December 2012, 2013, 2014 and the two months ended 28 February 2015, respectively. The remuneration policy is set out by the board of directors of the companies comprising Hong Kong Tianranju on the basis of their experience, merit, qualifications and competence. Apart from basic salaries, annual target performance related bonuses were awarded to certain staffs.

Currently there are no share option schemes available for employees of the Hong Kong Tianranju.

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**APPENDIX III                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

**Introduction**

The unaudited pro forma financial information of the Remaining Group (the “**Unaudited Pro Forma Financial Information**”) presented below is prepared to illustrate (a) the financial position of the Remaining Group as if the Disposal was completed on 30 June 2014; and (b) the financial performance and cash flows of the Remaining Group for the year ended 31 December 2013 as if the Disposal had taken place on 1 January 2013. This Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with Paragraph 4.29 of the Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group as at 30 June 2014 or at any future date or the financial performance and cash flows of the Remaining Group for the year ended 31 December 2013 or for any future period.

The Unaudited Pro Forma Financial Information has been prepared based on the unaudited pro forma consolidated financial information of the Group for the year ended 31 December 2013 and as at 30 June 2014 as set out in Appendix III to the circular of the Group dated 2 December 2014, after giving effect to the pro forma adjustments described in the accompanying notes. Narrative descriptions of the pro forma adjustments of the Disposal that are (i) directly attributable to the transactions; (ii) expected to have a continuing impact on the Group; and (iii) factually supportable, are set out in the accompanying notes. The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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**Unaudited Pro Forma Consolidated Statement of Financial Position**

	Pro forma consolidated The Group as at 30 June 2014 <i>HKD'000</i> <i>Note 1, 2</i>	Pro Forma adjustments <i>HKD'000</i> <i>Note 3</i>	Pro forma consolidated The Group as at 30 June 2014 <i>HKD'000</i>	Pro Forma adjustments <i>HKD'000</i> <i>HKD'000</i> <i>Note 6</i> <i>Note 5</i>		Pro forma consolidated The Remaining Group as at 30 June 2014 <i>HKD'000</i>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	62,563		62,563	(134)		62,429
Investment properties	203,293		203,293			203,293
Prepaid land lease payments	11,110	1,080,069	1,091,179	(1,080,069)		11,110
Other intangible assets	934		934	(25)		909
Investments in associates	<u>22,118</u>		<u>22,118</u>			<u>22,118</u>
<b>Total non-current assets</b>	<u>300,018</u>		<u>1,380,087</u>			<u>299,859</u>
<b>CURRENT ASSETS</b>						
Properties under development	23,661,639		23,661,639	(1,443,752)		22,217,887
Properties held for sale	875,670		875,670			875,670
Inventories	276,161		276,161			276,161
Trade and bills receivables	774,500		774,500			774,500
Prepayments, deposits and other receivables	1,394,453		1,394,453	(26,581)		1,367,872
Due from related companies	3,411,862		3,411,862	(125)	125	3,411,862
Taxes recoverable	208,497		208,497			208,497
Restricted cash	1,595,363		1,595,363			1,595,363
Cash and cash equivalents	<u>3,734,525</u>	(2,107,388)	<u>1,627,137</u>	(20,885)	1,691,578	<u>3,297,830</u>
<b>Total current assets</b>	<u>35,932,670</u>		<u>33,825,282</u>			<u>34,025,642</u>
<b>CURRENT LIABILITIES</b>						
Trade and bills payables	2,183,878		2,183,878	(3,448)		2,180,430
Other payables and accruals	7,075,501		7,075,501	(1,308)		7,074,193
Due to related companies	2,657,868		2,657,868	(874,780)	874,780	2,657,868
Interest-bearing bank and other borrowings	13,117,466		13,117,466			13,117,466
Tax payable	<u>57,408</u>		<u>57,408</u>			<u>57,408</u>
<b>Total current liabilities</b>	<u>25,092,121</u>		<u>25,092,121</u>			<u>25,087,365</u>
<b>NET CURRENT ASSETS</b>	<u>10,840,549</u>		<u>8,733,161</u>			<u>8,938,277</u>

**APPENDIX III                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

	Pro forma consolidated The Group as at 30 June 2014 <i>HKD'000</i> <i>Note 1, 2</i>	Pro Forma adjustments <i>HKD'000</i> <i>Note 3</i>	Pro forma consolidated The Group as at 30 June 2014 <i>HKD'000</i>	Pro Forma adjustments <i>HKD'000</i> <i>Note 6</i>	Pro Forma adjustments <i>HKD'000</i> <i>Note 5</i>	Pro forma consolidated The Remaining Group as at 30 June 2014 <i>HKD'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>11,140,567</u>		<u>10,113,248</u>			<u>9,238,136</u>
NON-CURRENT LIABILITIES						
Interest-bearing bank and other borrowings	6,575,910		6,575,910	(1,413,130)		5,162,780
Long term payable	147,000		147,000			147,000
Deferred tax liabilities	<u>275,429</u>		<u>275,429</u>			<u>275,429</u>
Total non-current liabilities	<u>6,998,339</u>		<u>6,998,339</u>			<u>5,585,209</u>
Net assets	<u>4,142,228</u>		<u>3,114,909</u>			<u>3,652,927</u>
EQUITY						
Equity attributable to the owners of the parent						
Issued capital	756,874	(158,049)	598,825			598,825
Reserves	<u>2,991,772</u>	(869,270)	<u>2,122,502</u>		516,616	<u>2,639,118</u>
	3,748,646		2,721,327			3,237,943
Non-controlling interests	<u>393,582</u>		<u>393,582</u>	(200,005)	221,407	<u>414,984</u>
Total equity	<u>4,142,228</u>		<u>3,114,909</u>			<u>3,652,927</u>

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

**Unaudited Pro Forma Consolidated Statement of Comprehensive Income**

	Pro forma consolidated The Group for the year ended 31 December 2013 <i>HKD'000</i> <i>Note 1, 2</i>	Pro Forma adjustments			Pro forma consolidated The Remaining Group for the year ended 31 December 2013 <i>HKD'000</i>
		<i>HKD'000</i> <i>Note 4</i>	<i>HKD'000</i> <i>Note 5</i>	<i>HKD'000</i>	
<b>REVENUE</b>	3,028,185				3,028,185
Cost of sales	<u>(2,864,829)</u>				<u>(2,864,829)</u>
Gross profit	163,356				163,356
Gain on bargain purchase	128,568				128,568
Gain on disposal of subsidiaries	–		738,023		738,023
Other income and gains	9,477				9,477
Selling and distribution expenses	(248,170)				(248,170)
Administrative expenses	(187,868)	375			(187,493)
Other operating income, net	19,037				19,037
Finance costs	(122,830)	4,566			(118,264)
Share of profits and losses of associates	<u>(5,106)</u>				<u>(5,106)</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>	(243,536)				499,428
Income tax expense	<u>(6,809)</u>				<u>(6,809)</u>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<u><u>(250,345)</u></u>				<u><u>492,619</u></u>
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>					
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	<u>29,484</u>				<u>29,484</u>
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	<u>29,484</u>				<u>29,484</u>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>	<u><u>(220,861)</u></u>				<u><u>522,103</u></u>
Attributable to:					
Owners of the parent	(118,018)	3,470	516,616		402,068
Non-controlling interests	<u>(102,843)</u>	1,471	221,407		<u>120,035</u>
	<u><u>(220,861)</u></u>				<u><u>522,103</u></u>



**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

**Unaudited Pro Forma Consolidated Statement of Cash Flows**

	Pro forma consolidated The Group for the year ended 31 December 2013 <i>HKD'000</i> <i>Note 1, 2</i>	Pro forma adjustments			Pro forma consolidated The Remaining Group for the year ended 31 December 2013 <i>HKD'000</i>
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
	<i>Note 1, 2</i>	<i>Note 4</i>	<i>Note 7</i>	<i>HKD'000</i>	<i>HKD'000</i>
<b>Cash flows from operating activities</b>					
Profit/(loss) before tax	(243,536)	4,941	738,023		499,428
<b>Adjustments for:</b>					
Finance costs	118,610				118,610
Share of profits and losses of associates	5,106				5,106
Interest income	(8,121)				(8,121)
Depreciation	11,171				11,171
Gain on disposal of subsidiaries	–		(738,023)		(738,023)
Gain on disposal of items of property, plant and equipment	(721)				(721)
Amortisation of intangible assets	33				33
Amortisation of land lease payments	332				332
Impairment of goodwill	2,892				2,892
Reversal of impairment of trade receivables	(25,058)				(25,058)
Write-back of trade and other payables	(15,517)				(15,517)
Provision for obsolete inventories	2,222				2,222
Changes in fair value of investment properties	(1,326)				(1,326)
Gain on bargain purchase	(128,568)				(128,568)
Equity-settled share option expense	18,862				18,862
	<u>(263,619)</u>				<u>(258,678)</u>
Increase in inventories	(40,745)				(40,745)
Increase in trade and bill receivables	(37,997)				(37,997)
Increase in properties under development	(9,381,019)		1,443,752		(7,937,267)
Increase in properties held for sale	(253,170)				(253,170)
Increase in prepayments, deposits and other receivables	(2,923,575)		26,581		(2,896,994)
(Increase)/decrease in amounts due from related companies	(97,941)				(97,941)
Increase/(decrease) in trade and bills payables	1,070,206		(3,448)		1,066,758
Increase in other payables and accruals	2,690,492		(1,308)		2,689,184
Increase/(decrease) in amounts due to related companies	1,723,257				1,723,257

**APPENDIX III                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

	<b>Pro forma consolidated The Group for the year ended 31 December 2013</b>	<b>Pro forma adjustments</b>			<b>Pro forma consolidated The Remaining Group for the year ended 31 December 2013</b>
	<i>HKD'000 Note 1, 2</i>	<i>HKD'000 Note 3</i>	<i>HKD'000 Note 7</i>	<i>HKD'000</i>	<i>HKD'000</i>
Decrease in long term payable	(3,000)				(3,000)
Exchange differences	54,245				54,245
<b>Cash generated from/(used in) operations</b>	(7,462,866)				(5,992,348)
Interest received	4,833				4,833
Interest paid	(523,735)				(523,735)
Mainland of the People's Republic of China ("Mainland China" or the "PRC") corporate income tax refunded/(paid)	(6,007)				(6,007)
Land appreciation tax paid	(35,605)				(35,605)
Hong Kong profits tax paid	(409)				(409)
<b>Net cash flows from/(used in) operating activities</b>	(8,023,789)				(6,553,271)
<b>Cash flows from investing activities</b>					
Interest received	4,954				4,954
Purchases of items of property, plant and equipment	(40,397)		134		(40,263)
Purchases of intangible assets	(338)		25		(313)
Purchases of prepaid lease payment	-	(1,080,069)			(1,080,069)
Proceeds from disposal of items of property, plant and equipment	3,349				3,349
Increase in time deposits with original maturity of over three months when acquired	(340)				(340)
Advance of entrusted loans to related companies	(63,950)				(63,950)
Repayment of entrusted loans from related companies	113,750				113,750
Decrease/(increase) in restricted cash	(372,110)				(372,110)
Acquisition of subsidiaries	303,738				303,738
Acquisition of subsidiaries under common control	1,284,313				1,284,313
Proceeds from disposal of subsidiaries	-		1,691,578		1,691,578
Investments in associates	-				-
Decrease/(increase) in pledged deposits	(448,255)				(448,255)

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UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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	Pro forma consolidated The Group for the year ended 31 December 2013	Pro forma adjustments			Pro forma consolidated The Remaining Group for the year ended 31 December 2013
	HKD'000 Note 1, 2	HKD'000 Note 3	HKD'000	HKD'000	HKD'000
<b>Net cash flows from/(used in) investing activities</b>	784,714				1,396,382
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares	2,187,254	(1,027,319)			1,159,935
New bank loans	2,692,241				2,692,241
Repayment of bank loans	(1,119,826)				(1,119,826)
New trust receipt loans	12,112				12,112
New other loans	15,000,748				15,000,748
Repayment of other loans	(7,332,102)				(7,332,102)
Increase in long term payable	62,071				62,071
Capital contributions from non-controlling shareholders	73,872				73,872
<b>Net cash flows from financing activities</b>	<u>11,576,370</u>				<u>10,549,051</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,337,295				5,392,162
Cash and cash equivalents at the beginning of the year	358,382				358,382
Effect of foreign exchange rate changes, net	<u>9,044</u>				<u>9,044</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>4,704,721</u></u>				<u><u>5,759,588</u></u>

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**Notes to the unaudited pro forma financial information**

*Notes:*

1. The balances and amounts are extracted from the unaudited pro forma financial information of the Group for the year ended 31 December 2013 and as at 30 June 2014 as set out in Appendix III to the circular of the Company dated 2 December 2014.
2. For preparation of the unaudited pro forma consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2013, the average exchange rate of RMB against HKD of HKD1.00 to RMB0.800 was used. In calculating the estimated pro forma gain on Disposal in the above statements, the exchange rate of RMB against HKD of HKD1.00 to RMB0.800 was used, because the Disposal was assumed to have taken place on 30 June 2014. For preparation of the unaudited pro forma condensed consolidated statement of financial position, the closing exchange rate of RMB against HKD of HKD1.00 to RMB0.800 was used.
3. The adjustment reflects (a) the result and cash flow of placement of shares upon completion of the acquisition pursuant to the announcement made by the company on 2 January 2015. Such adjustment is made in this pro forma financial statement in order to better reflect the impact to the Group's cash and capital position based on the final result of the placement as set out in the announcement of the Company dated 23 December 2014 comparing to the circular dated 2 December 2014. The difference mainly represents the decrease in placement shares as original set out in the circular dated 2 December 2014 to the final result of such placement as set out in the announcement date 23 December 2014; (b) the acquisition of the prepaid land lease payment amounted to HKD1,080,069,000 on 13 January 2015 by the disposal subsidiaries. The cash flow impact for the (a) amounted to HKD1,027,319,000 has been reflected under the proceeds from issue of shares in the financing activities in the pro forma cash flow statement while the impact for the (b) amounted to HKD1,080,069,000 has been reflected under the purchase of prepaid lease payment in the investment activities in the pro forma cash flow statement.
4. The adjustment represents the exclusion of the results of Qingdao Bolai, Hong Kong Tianranju and Qingdao Bofu (the "Disposal Subsidiaries") for the year ended 31 December 2013, assuming the Disposal had taken place on 1 January 2013. The Group's share of results are based on figures extracted from the unaudited financial information of the disposal subsidiaries for the year ended 31 December 2013 and converted to HKD at HKD1.00 to RMB0.800.
5. These adjustments reflect the pro forma gain on disposal of the disposal subsidiaries, assuming the Disposal had taken place on 30 June 2014. Pro forma gain on disposal is calculated as follows:

	<i>HKD'000</i>
Consideration (approximately RMB2,398 million)	2,998,407
Less: Repayment of Entrusted loan (approximately RMB1,044 million)	(1,305,650)
Professional fee in relation to the Disposal	<u>(1,055)</u>
	1,691,702
Balance due to the Group	(874,780)
The Group's share of net assets of the Disposal Subsidiaries ( <i>Note</i> )	<u>(78,899)</u>
Estimated pro forma gain on disposal	<u><u>738,023</u></u>

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**APPENDIX III                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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*Note:* The Group's share of net assets of the Disposal Subsidiaries was as follows.

	<b>Qingdao Bolai</b>	<b>Hong Kong Tianranju (consolidated)</b>	<b>Total</b>
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
Property, plant and equipment	134		134
Prepaid land lease payments		1,080,069	1,080,069
Other intangible assets	25		25
Properties under development	1,443,752		1,443,752
Prepayments, deposits and other receivables	26,581		26,581
Due from related companies	125		125
Cash and cash equivalents	20,882	3	20,885
Trade and bills payables	(3,393)	(55)	(3,448)
Other payables and accruals	(1,182)	(126)	(1,308)
Due to related companies	(13,384)	(861,396)	(874,780)
Interest-bearing bank and other borrowings	<u>(1,413,130)</u>		<u>(1,413,130)</u>
	60,410	218,495	278,905
Non-controlling interests		<u>(200,006)</u>	<u>(200,006)</u>
	<u>60,410</u>	<u>18,489</u>	<u>78,899</u>

6. The adjustment represents the exclusion of the assets and liabilities of the Disposal Subsidiaries based on the latest available financial records, assuming the Disposal had taken place on 30 June 2014 and converted to HKD at HKD1.00 to RMB0.800.
7. These adjustments represent the cash flow resulted from the Disposal, assuming the Disposal had taken place on 1 January 2013.
8. Notes 3, 5, 6 and 7 are not expected to have a continuing effect on the Group.

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**APPENDIX III                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON  
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

*The following is the text of a report from the reporting accountants, Dominic K. F. Chan & Co., Certified Public Accountants, on the unaudited pro forma financial information of the Remaining Group, for inclusion in this circular.*

25 March 2015

The Board of Directors  
Peking University Resources (Holdings) Company Limited  
Unit 1408, 14th Floor, Cable TV Tower,  
9 Hoi Shing Road, Tsuen Wan  
New Territories

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Peking University Resources (Holdings) Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated statement of financial position as at 30 June 2014, the pro forma consolidated income statement and the pro forma consolidated statement of comprehensive income for the year ended 31 December 2013, the pro forma consolidated statement of cash flows for the year ended 31 December 2013, and related notes as set out in section headed “Unaudited Pro Forma Financial Information of the Remaining Group” in Appendix III of the circular issued by the Company dated 25 March 2015 (the “**Circular**”). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are also described in section headed “Unaudited Pro Forma Financial Information of the Remaining Group” in Appendix III of the Circular.

The pro forma financial information has been compiled by the directors to illustrate the impact of the proposed disposal of the equity interest in Qingdao Bolai Property Co., Limited and Hong Kong Tianranju Holdings Limited (the “**Disposed Companies**”) to CITIC Shenzhen (collectively referred to as the “**Disposal**”) on the Group’s financial position as at 30 June 2014 and the Group’s financial performance and cash flows for the year ended 31 December 2013 as if the transaction was completed on 30 June 2014 and had taken place at 1 January 2013 respectively. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s unaudited pro forma financial statements for the six months ended 30 June 2014, and the Group’s financial performance and cash flows has been extracted by the directors from the Group’s unaudited pro forma financial statements for the year ended 31 December 2013, as set out in Appendix III to the circular of the Group dated 2 December 2014.

### **Directors' Responsibility for the Pro Forma Financial Information**

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

### **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 30 June 2014 or 1 January 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

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**APPENDIX III                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- a. the pro forma financial information has been properly compiled on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Dominic K. F. Chan & Co.**  
*Certified Public Accountants*  
Hong Kong



*The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with their opinion of values as at 31 January 2015 of the properties to be disposed of by the Company.*



Savills Valuation and  
Professional Services Limited  
23/F Two Exchange Square  
Central, Hong Kong

T: (852) 2801 6100  
F: (852) 2530 0756

EA Licence: C-023750  
savills.com

The Directors  
Peking University Resources (Holdings) Company Limited  
Unit 1408, 14th Floor  
Cable TV Tower  
9 Hoi Shing Road  
Tsuen Wan  
New Territories  
Hong Kong

25 March 2015

Dear Sirs,

In accordance with the instructions from Peking University Resources (Holdings) Company Limited (the "Company") for us to value the properties situated in the People's Republic of China (the "PRC") and held by Qingdao Bolai Property Co., Limited ("Qingdao Bolai"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 31 January 2015 (the "valuation date") for circular purpose.

#### **Basis of Valuation**

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale and purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation is prepared in compliance with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

### **Property Categorization and Valuation Methodology**

In valuing the property in Group I, which is held by Qingdao Bolai under development in the PRC, we have valued such property on the basis that it will be developed and completed in accordance with the latest development proposal provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposal have been obtained without onerous conditions or delays. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales transactions as available in the relevant markets and have also taken into account the costs that will be expended to complete the development to reflect the quality of the completed development.

In valuing the property in Group II, which is held by Qingdao Bolai for future development in the PRC, we have valued such property by making reference to comparable market transactions as available in the relevant markets assuming sale with the benefit of vacant possession.

### **Title Investigation**

We have been provided with copies of title documents relating to the properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given by the Company and the legal opinion issued by the Company's legal adviser, Tian Yuan Law Firm (北京市天元律師事務所), regarding the titles to the properties in the PRC.

### **Valuation Consideration and Assumptions**

In valuing the properties in the PRC, unless otherwise stated, we have assumed that transferable land use rights of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payables have already been fully paid. Unless otherwise stated, we have also assumed that Qingdao Bolai has enforceable titles to the properties and has free and uninterrupted rights to occupy, use, transfer, lease or assign the properties for the whole of the respective unexpired terms as granted.

In the course of our valuation, we have relied to a considerable extent on information and advice given by the Company on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, development proposals, total and outstanding

construction costs, site and floor areas, transaction records, sale prices, sale and purchase agreements and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We are also advised by the Company that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

### **Site Inspections**

We have inspected the exterior and, where possible, the interior of the properties. Site inspections of the properties were carried out in February 2015 by our Mr. Bian Ruijun (Director) and various valuation assistants. Mr. Bian Ruijun is a China Registered Real Estate Appraiser. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report that the properties are free from rot, infestation and any other defects. No tests were carried out on any of the services. We have also not carried out investigations on site to determine the suitability of the ground conditions and the services for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

### **Remarks**

Unless otherwise stated, all money amounts stated are in Renminbi (“RMB”).

We enclose herewith our summary of values and valuation certificate.

Yours faithfully,  
For and on behalf of  
**Savills Valuation and Professional Services Limited**  
**Anthony C K Lau**  
*MRICS MHKIS RPS(GP)*  
*Director*

*Note:* Anthony C K Lau is a qualified surveyor and has over 22 years’ post-qualification experience in the valuation of properties in the PRC and Hong Kong.

## SUMMARY OF VALUES

No.	Property	Market value in existing state as at 31 January 2015 (RMB)
<b>Group I – Property held by Qingdao Bolai under development in the PRC</b>		
1.	PKU Resources – Boya Huafu Project, 49 Changsha Road, Shibei District, Qingdao, Shandong Province, PRC	851,200,000
<b>Group I Sub-total:</b>		851,200,000
<b>Group II – Property held by Qingdao Bolai for future development in the PRC</b>		
2.	Land Lot No. 3702050070011009, 45 Changsha Road, Shibei District, Qingdao, Shandong Province, PRC	650,500,000
<b>Group II Sub-total:</b>		650,500,000
<b>Grand total:</b>		<b><u>1,501,700,000</u></b>

## VALUATION CERTIFICATE

## Group I – Property held by Qingdao Bolai under development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2015																																										
1.	PKU Resources – Boya Huafu Project, 49 Changsha Road, Shibe District, Qingdao, Shandong Province, PRC	<p>The property comprises a large-scale residential development, which is being developed in three phases and is being erected on three parcels of land with a total site area of approximately 59,644.10 sq.m. (including the allocated land with a site area of approximately 2,023.40 sq.m.).</p> <p>The property is located in Shibe District, Qingdao, which is a well-established area. Developments in the vicinity are dominated by residential buildings of various ages and heights. It is at about 25 minutes' drive to Qingdao Liuting International Airport and at about 10 minutes' drive to the city centre of Qingdao.</p> <p>According to the latest development proposal provided by the Company, the property will have a total gross floor area of approximately 195,580.89 sq.m. upon completion. Details of the uses and approximate gross floor areas of the property are as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Phase I</b></td> </tr> <tr> <td>Residential</td> <td>40,406.70</td> </tr> <tr> <td>Commercial</td> <td>6,637.64</td> </tr> <tr> <td>Car park</td> <td>1,800.53</td> </tr> <tr> <td>Public rental housing</td> <td>5,187.38</td> </tr> <tr> <td>Ancillary facilities</td> <td>759.03</td> </tr> <tr> <td>Sub-total:</td> <td>54,791.28</td> </tr> <tr> <td colspan="2"><b>Phase II</b></td> </tr> <tr> <td>Residential</td> <td>54,093.40</td> </tr> <tr> <td>Commercial</td> <td>7,538.71</td> </tr> <tr> <td>Car park</td> <td>20,963.20</td> </tr> <tr> <td>Ancillary facilities</td> <td>1,095.15</td> </tr> <tr> <td>Sub-total:</td> <td>83,690.46</td> </tr> <tr> <td colspan="2"><b>Phase III</b></td> </tr> <tr> <td>Residential</td> <td>24,413.29</td> </tr> <tr> <td>Commercial</td> <td>9,528.92</td> </tr> <tr> <td>Car park</td> <td>22,515.85</td> </tr> <tr> <td>Ancillary facilities</td> <td>641.09</td> </tr> <tr> <td>Sub-total:</td> <td>57,099.15</td> </tr> <tr> <td><b>Total:</b></td> <td><b>195,580.89</b></td> </tr> </tbody> </table>	Use	Approximate Gross Floor Area (sq.m.)	<b>Phase I</b>		Residential	40,406.70	Commercial	6,637.64	Car park	1,800.53	Public rental housing	5,187.38	Ancillary facilities	759.03	Sub-total:	54,791.28	<b>Phase II</b>		Residential	54,093.40	Commercial	7,538.71	Car park	20,963.20	Ancillary facilities	1,095.15	Sub-total:	83,690.46	<b>Phase III</b>		Residential	24,413.29	Commercial	9,528.92	Car park	22,515.85	Ancillary facilities	641.09	Sub-total:	57,099.15	<b>Total:</b>	<b>195,580.89</b>	As at the valuation date, the property was under construction.	RMB851,200,000
Use	Approximate Gross Floor Area (sq.m.)																																													
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As advised by the Company, the property is scheduled for completion between the third quarter of 2016 and the first quarter of 2017.

The land use rights of two land parcels of the property with a total site area of approximately 57,620.70 sq.m. have been granted for two concurrent terms expiring on 29 December 2083 for residential use and 29 December 2053 for commercial use respectively. The remaining portion of the property has been allocated for residential (public rental housing) use.

*Notes:*

- Pursuant to the State-owned Land Use Rights Grant Contract – Qing Dao-01-2013-0121 dated 30 December 2013, the land use rights of the land parcel of the property (excluding the public rental housing portion) with a site area of approximately 57,620.70 sq.m. have been granted to Qingdao Bolai Property Co., Limited (青島博萊置業有限公司) (“Qingdao Bolai”) for two concurrent terms of 40 years for commercial use and 70 years for residential use respectively at a land grant fee of RMB544,515,000.
- Pursuant to the following State-owned Land Use Rights Certificates, the land use rights of three parcels of land with a total site area of approximately 59,654.10 sq.m. have been granted / allocated to Qingdao Bolai. Details of the certificates are as follows:

<b>Certificate No.</b>	<b>Date of Issue</b>	<b>Site Area (sq.m.)</b>	<b>Usage and Land Use Term Expiry Date</b>
Qing Fang Di Quan Shi Zi No. 201414344	14 February 2014	47,223.90	Residential: 29 December 2083
Qing Fang Di Quan Shi Zi No. 201414345	14 February 2014	2,023.40	Residential (public rental housing): allocated land
Qing Fang Di Quan Shi Zi No. 201414347	14 February 2014	10,396.80	Commercial: 29 December 2053
	<b>Total:</b>	<b><u>59,644.10</u></b>	

- Pursuant to the Planning Permit for Construction Land – No. 370200201402017 dated 30 April 2014, Qingdao Bolai is permitted to use a parcel of land with a site area of approximately 59,644.10 sq.m. for development.
- Pursuant to three Planning Permits for Construction Works – Jian Zi Di Nos. 370200201402040 to 370200201402042 dated between 3 June 2014 and 10 June 2014, the approved construction scale of the property is approximately 195,580.89 sq.m..
- Pursuant to three Approvals for Commencement of Construction Works – Nos. 3702002014093001010, 3702002014011190101 and 3702032014011260101 dated between 30 September 2014 and 26 November 2014, the construction works of the property with a total construction scale of approximately 195,580.89 sq.m. has been approved for commencement.
- Pursuant to the Qingdao Pre-sale Permit for Commodity Housing – Qing Fang Zhu Zi (2014) No. 097 dated 20 November 2014, portion of the property with a total gross floor area of approximately 40,381.57 sq.m. has been permitted for pre-sale.
- As advised by the Company, the total construction cost expended as at the valuation date was approximately RMB97,600,000 and the estimated outstanding construction cost for completion of the property was RMB589,200,000. We have taken into account the aforesaid amounts in our valuation.
- As advised by the Company, the public rental housing portion of the property with a total gross floor area of approximately 5,187.38 sq.m. erected on the allocated land has been acquired by the local housing authority at a total consideration of approximately RMB21,400,000. We have taken into account the aforesaid amount in our valuation.
- As advised by the Company, portion of the property with a total gross floor area of approximately 11,907.19 sq.m. has been pre-sold under various sale and purchase agreements at a total consideration of approximately RMB119,400,000. We have taken into account the aforesaid amount in our valuation.
- The market value of the property as if completed as at the valuation date is in the sum of RMB1,973,900,000.

11. As confirmed by the Company, the property is subject to a mortgage.
12. We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, which contains, inter alia, the following information:
  - i. Qingdao Bolai is the legal user of the land parcels of the property;
  - ii. save for the restrictions of the afore-mentioned mortgage, Qingdao Bolai is entitled to occupy and use the granted land parcels of the property and is also entitled to let, transfer and mortgage the land use rights of such land parcels in accordance with the PRC laws and the stipulations of the land use rights grant contract;
  - iii. Qingdao Bolai is entitled to occupy and use the allocated land parcel of the property for the construction and letting of the public rental housing in accordance with the PRC laws; and
  - iv. Qingdao Bolai has obtained the Planning Permit for Construction Land, Planning Permits for Construction Works and Approvals for Commencement of Construction Works for the construction of the property.

## Group II – Property held by Qingdao Bolai for future development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2015
2.	Land Lot No. 3702050070011009, 45 Changsha Road, Shibe District, Qingdao, Shandong Province, PRC	<p>The property comprises three parcels of land with a total site area of approximately 48,543.00 sq.m. (including the allocated land with a site area of approximately 1,213.20 sq.m.).</p> <p>The property is located in Shibe District, Qingdao, which is a well-established area. Developments in the vicinity are dominated by residential buildings of various ages and heights. It is at about 25 minutes' drive to Qingdao Liuting International Airport and at about 10 minutes' drive to the city centre of Qingdao.</p> <p>As advised by the Company, the maximum permissible gross floor area of the property is approximately 121,357.50 sq.m. (including the public rental housing with a total gross floor area of approximately 3,033.00 sq.m.) at a plot ratio of 2.5. Detailed development plan of the property has not been finalised.</p> <p>The land use rights of two land parcels of the property with a total site area of approximately 47,329.80 sq.m. have been granted for two concurrent terms expiring on 3 July 2084 for residential use and 3 July 2054 for commercial use respectively. The remaining portion of the property has been allocated for residential (public rental housing) use.</p>	As at the valuation date, the property was vacant land.	RMB650,500,000



*Notes:*

1. Pursuant to the State-owned Land Use Rights Grant Contract – Qing Dao-01-2014-0036 dated 24 June 2014, the land use rights of the land parcel of the property (excluding the public rental housing portion) with a site area of approximately 47,329.80 sq.m. have been granted to Qingdao Bolai Property Co., Limited (青島博萊置業有限公司) (“Qingdao Bolai”) for two concurrent terms of 40 years for commercial use and 70 years for residential use respectively at a land grant fee of RMB459,099,060. As stipulated, the construction works of the proposed development on such land parcel shall be commenced before 3 July 2015 and completed before 2 July 2018.
2. Pursuant to the following State-owned Land Use Rights Certificates, the land use rights of the land parcels of the property with a total site area of approximately 48,543.00 sq.m. have been granted / allocated to Qingdao Bolai. Details of the certificates are as follows:

Certificate No.	Date of Issue	Site Area (sq.m.)	Usage and Land Use Term Expiry Date
Qing Fang Di Quan Shi Zi No. 2014104296	2 September 2014	1,213.20	Residential (public rental housing): allocated land
Qing Fang Di Quan Shi Zi No. 2014104577	3 September 2014	24,283.00	Commercial: 3 July 2054
Qing Fang Di Quan Shi Zi No. 2014105111	4 September 2014	23,046.80	Residential: 3 July 2084
<b>Total:</b>		<b><u>48,543.00</u></b>	

3. As confirmed by the Company, the property is free from any mortgages.
4. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
  - i. Qingdao Bolai is the legal user of the land parcels of the property;
  - ii. Qingdao Bolai is entitled to occupy and use the granted land parcels of the property and is also entitled to let, transfer and mortgage the land use rights of such land parcels in accordance with the PRC laws and the stipulations of the land use rights grant contract; and
  - iii. Qingdao Bolai is entitled to occupy and use the allocated land parcel of the property for the construction and letting of the public rental housing in accordance with the PRC laws.
5. In the course of our valuation, we have assigned no commercial value to the allocated land of the property with a site area of approximately 1,213.20 sq.m. as it cannot be freely transferable in the market.

**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 that 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 DIRECTORS' INTERESTS**

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:

**Long positions in ordinary shares of the Company:**

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 (Note)	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.

## Long positions in share options of the Company:

Name or category of participants	Number of share options at 1 January 2014 and 30 June 2014	Date of grant of share options	Exercise period of share options	Exercise price of share options
				<i>HKD per share</i>
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 Circular, 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.

## 3. DISCLOSURE OF INTEREST OF 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 positions 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 positions 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. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, same as disclosed by the Company, the Directors confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest audited financial statements of the Group were made up.

#### **6. DIRECTORS' INTEREST IN COMPETING BUSINESSES**

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.

**7. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS**

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest, direct or indirect, in any asset which had been since 31 December 2013, being the date to which the latest published audited financial statements of the Group were made up, 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.

As at the Latest Practicable Date, none of the Directors and chief executive of the Company were materially interested in any contract or arrangement subsisting at the date of this Circular and which is significant in relation to the business of the Company.

**8. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

**9. 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 Co., Ltd. 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 HKD1,934 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;
- (iv) the Sale and Purchase Agreement; and
- (v) the Subsequent Sale and Purchase Agreement.

**10. QUALIFICATION AND CONSENT OF EXPERTS**

The following are the qualifications of the experts who have given an opinion or advice contained in this Circular:

<b>Name</b>	<b>Qualifications</b>
Dominic K.F. Chan & Co.	Certified Public Accountants
Savills Valuation and Professional Services Limited	Property valuer
Tian Yuan Law Firm	PRC Legal Advisor

- (a) As at the Latest Practicable Date, Dominic K.F. Chan & Co., Savills Valuation and Professional Services Limited and Tian Yuan Law Firm had no interest, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (b) As at the Latest Practicable Date, Dominic K.F. Chan & Co., Savills Valuation and Professional Services Limited and Tian Yuan Law Firm had no interest, direct or indirect, in any assets which have been since 31 December 2013, the date to which the latest published audited financial statements of the Company were made up, 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.
- (c) Each of Dominic K.F. Chan & Co., Savills Valuation and Professional Services Limited and Tian Yuan Law Firm has given and has not withdrawn its written consent to the issue of this Circular with its letter or report included in the form and context in which it is included.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong during normal business hours up to and including the date of the SGM.

- (a) the memorandum and by-laws of the Company;
- (b) the Framework Agreement;
- (c) the Sale and Purchase Agreement;
- (d) the Subsequent Sale and Purchase Agreement;

- (e) other material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (f) the annual reports of the Company for the two years ended 31 December 2012 and 2013, and interim report of the Company for the six months ended 30 June 2014;
- (g) the written consents referred to in the paragraph headed “Qualification and Consent of Experts” in this appendix;
- (h) the unaudited financial information of the Target, the text of which is set out in Appendix II to this Circular,
- (i) the unaudited pro forma financial statements of the Remaining Group and the comfort letter from Dominic K. F. Chan & Co., on pro forma financial statements, the text of which is set out in Appendix III to this Circular;
- (j) the valuation report on the Properties, the text of which is set out in Appendix IV to this Circular;
- (k) this Circular;
- (l) the circular of the Company dated 16 February 2015 in relation to the acquisition of land use rights in Kaifeng;
- (m) the circular of the Company dated 16 February 2015 in relation to the acquisition of land use rights in Qingdao;
- (n) the circular of the Company dated 01 December 2014;
- (o) the circular of the Company dated 21 August 2014;
- (p) the circular of the Company dated 25 April 2014;
- (q) the circular of the Company dated 08 April 2014; and
- (r) the circular of the Company dated 15 January 2014.

## **12. GENERAL**

- (a) The registered office of the Company is situated at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Ms. Tang Yuk Bo, Yvonne, FCS, FCIS.



- (d) In the event of inconsistency, the English text of this Circular shall prevail over the Chinese text.
- (e) As at the Latest Practicable Date, the Board consisted of Ms. Yu Li, Mr. Fang Hao, Mr. Zhou Bo Qin, Mr. Zhang Zhao Dong, Mr. Xie Ke Hai and Mr. Zheng Fu Shuang as executive Directors and Mr. Li Fat Chung, Ms. Wong Lam Kit Yee and Ms. Cao Qian as independent non-executive Directors.
- (f) The address of CITIC Shenzhen is Floor 4, CITIC City Square Building, Shennan Zhonglu, Futian District, Shenzhen, the address of CITIC Real Estate Hong Kong is Room G, 8/F, Ko On Mansion, Tai Koo Shing, Hong Kong.
- (g) Neither the Company nor any member of the Remaining Group have issued or agreed to issue any founder shares, management shares or deferred shares.

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## NOTICE OF SPECIAL GENERAL MEETING

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**北大资源**  
**PKU RESOURCES**

### **Peking University Resource (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** the 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 following purposes. Unless indicated otherwise, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 25 March 2015.

#### **ORDINARY RESOLUTIONS**

**“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.”

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## NOTICE OF SPECIAL GENERAL MEETING

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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 of  
**Peking University Resources (Holdings) Company Limited**  
**Fang Hao**  
*Executive Director*

*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 him/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 Continuing Connected Transactions: Master Purchase Agreement and Master Sales Agreement 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 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](http://www.pku-resources.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) following the meeting.