
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer 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 and the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



北大资源
PKU RESOURCES

Peking University Resources (Holdings) Company Limited

北大资源(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00618)

VERY SUBSTANTIAL ACQUISITION
ACQUISITION OF LAND USE RIGHTS IN TIANJIN, THE PRC

CONTENTS

| | <i>Page</i> |
|--|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 4 |
| APPENDIX I – FINANCIAL INFORMATION OF THE GROUP | 8 |
| APPENDIX II – GENERAL INFORMATION | 10 |

DEFINITIONS

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

| | |
|-----------------------|---|
| “Acquisition” | the acquisition of the land use rights of the Land by Tianjin Boya at the Listing-for-sale |
| “associate” | has the meaning ascribed to it under the Listing Rules |
| “Additional Land” | the portion of the Lot other than the Land with a site area of 2,540.3 square meters |
| “Board” | the board of Directors |
| “Company” | Peking University Resources (Holdings) Company Limited (北大資源(控股)有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00618) |
| “Confirmation Letter” | the confirmation letter of land transaction by listing-for sale* (掛牌地塊成交確認書) dated 9 July 2014 entered into between Tianjin Boya and Tianjin Land Transaction Centre confirming the Acquisition by Tianjin Boya at the Listing-for-sale |
| “Consideration” | RMB3,973 million (equivalent to approximately HK\$4,938.4 million), being the price for the grant of the land use rights of the Land |
| “Directors” | directors of the Company |
| “Founder Information” | Founder Information (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability which own approximately 55.40% of the issued share capital of the Company as at the Latest Practicable Date |
| “Group” | the Company and its subsidiaries |
| “HK\$” | mean Hong Kong dollars |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the PRC |

DEFINITIONS

| | |
|---------------------------------|---|
| “Land” | The portion of the Lot located in the southeast of the cross of Hei Niu Cheng Road and Hong Ze Nan Road, He Xi District, Tianjin, the PRC (中國天津河西區黑牛城道與洪澤南路交口東南側) with a site area of approximately 66,543.8 square meters which was offered for sale at the Listing-for-sale |
| “Land Use Right Grant Contract” | the land use right grant contract (國有建設用地使用權出讓合同) to be entered into between Tianjin Boya and Tianjin Land Bureau in respect of the Land |
| “Latest Practicable Date” | 19 August 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing-for-sale” | the public listing-for-sale held by Tianjin Land Transaction Centre at which the Land was offered for sale by Tianjin Land Bureau |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange |
| “Lot” | Lot No. Jin Xi Hei (Gua) 2014-069 (津西黑(掛)2014-069) which is comprised of the Land and the Additional Land with a site area of 69,084.1 square meters |
| “Peking Founder” | 北大方正集團有限公司 (Peking University Founder Group Company Limited*), a company established in the PRC with limited liability |
| “Percentage Ratios” | the “percentage ratios” as defined in rule 14A.10(10) of the Listing Rules |
| “PKU Resources” | 北大資源集團有限公司 (Peking University Resources Group Co., Ltd.*), a company established in the PRC with limited liability |
| “PRC” | the People’s Republic of China |
| “PRC Governmental Body” | has the meaning ascribed to it under the Listing Rules |
| “PRC Law” | has the meaning ascribed to it under the Listing Rules |
| “qualified connection person” | has the meaning ascribed to it under rule 14A/06 of the Listing rules |
| “RMB” | Renminbi, the lawful currency of the PRC |

DEFINITIONS

| | |
|-----------------------------------|--|
| “Shareholders” | holders of the shares of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary” | has the meaning ascribed to it under the Listing Rules |
| “Tianjin Boya” | Tianjin Boya Properties Limited* (天津博雅置業有限公司), a company incorporated in the PRC with limited liability and owned as to 60% indirectly by the Company, 20% by Tianjin Jindong Real Estate Investment Development Group Company Limited* (天津市津東房地產投資開發集團有限公司) and 20% by Tianjin Xinronghua Real Estate Agency Company Limited* (天津市新榮華房地產經紀有限公司) |
| “Tianjin Jindong” | Tianjin Jindong Real Estate Investment Development Group Company Limited* (天津市津東房地產投資開發集團有限公司), a company incorporated in PRC with limited liability |
| “Tianjin Land Bureau” | Tianjin Land Resources and Housing Management Bureau* (天津市國土資源和房屋管理局) |
| “Tianjin Land Transaction Centre” | Tianjin Land Transaction Centre* (天津土地交易中心) |
| “Tianjin Xinronghua” | Tianjin Xinronghua Real Estate Agency Company Limited* (天津市新榮華房地產經紀有限公司), a company incorporated in PRC with limited liability and the minority shareholder of Tianjin Peking University Resources Properties Limited which is a non-wholly-owned subsidiary of the Company |
| “%” | per cent. |

For illustrative purpose only, RMB is converted into HK\$ at an exchange rate of RMB1 = HK\$1.243 in this circular.

** For identification purpose only*

LETTER FROM THE BOARD



北大资源
PKU RESOURCES

Peking University Resources (Holdings) Company Limited

北大资源(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00618)

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

22 August 2014

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN TIANJIN, THE PRC

INTRODUCTION

The Company announced on 9 July 2014 that Tianjin Boya, being an indirect non-wholly-owned subsidiary of the Company, has succeeded in the bid of the land use rights of the Land offered for sale by Tianjin Land Bureau at the Listing-for-sale for RMB3,973 million (equivalent to approximately HK\$4,938.4 million). The Confirmation Letter was entered into between Tianjin Boya and Tianjin Land Transaction Centre on 9 July 2014. Tianjin Boya attended Tianjin Land Transaction Centre to enter into the Land Use Right Grant Contract with Tianjin Land Bureau on 24 July 2014. RMB1,200 million (equivalent to approximately HK\$1,491.6 million) has been paid by Tianjin Boya as the security deposit for the Listing-for-sale. Tianjin Boya will finance its capital commitment by internal resources and loan from substantial shareholder or its related companies.

The purpose of this circular is to provide you with, among other things, further details of the Acquisition and such other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE CONFIRMATION LETTER

Date: 9 July 2014

Parties: (1) Tianjin Boya; and
(2) Tianjin Land Transaction Centre

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Tianjin Land Transaction Centre and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

Consideration: The Consideration is RMB3,973 million (equivalent to approximately HK\$4,938.4 million), which was arrived at after bidding at the Listing-for-sale. The board considered that the Consideration was fair and reasonable after taking into account the market price of surrounding land and the development potential of the Land.

Land Use Right Grant Contract: Tianjin Boya attended to Tianjin Land Transaction Centre to enter into the Land Use Right Grant Contract with Tianjin Land Bureau on 24 July 2014.

MAJOR TERMS OF THE LAND USE RIGHT GRANT CONTRACT

Parties: Transferee: Tianjin Boya; and
Transferor: Tianjin Land Bureau

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Tianjin Land Bureau and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

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 (中國天津市河西區黑牛城道與洪澤南路交口東南側) with a site area of approximately 66,543.8 square meters and forms part of the Lot. The site area of the Lot is approximately 69,084.1 square meters, of which approximately 36,990.2 square meters are for residential buildings, approximately 26,593.9 square meters are for commercial buildings and approximately 5,500 square meters are for open areas.

The Additional Land with a site area of 2,540.3 square meters will be transferred to Tianjin Boya pursuant to a supplemental agreement to be entered into by the Transferor and the Transferee without consideration when relocation and demolition work is completed on the Additional Land, which is currently anticipated to be in or around mid-August 2014.

The use of the Land is for residential and commercial (including city type apartments and open areas). The term of the Land is 70 years for the residential portion and 40 for the commercial portion, commencing from the date of actual delivery of the Land.

LETTER FROM THE BOARD

The Consideration is RMB3,973 million (equivalent to approximately HK\$4,938.4 million). RMB1,200 million (equivalent to approximately HK\$1,491.6 million) has been paid as security deposit for the Listing-for-sale by Tianjin Boya and will be used as part of the Consideration. 50% of the Consideration is payable within 30 days from the date of the Land Use Rights Grant Contract and the remaining 50% of the Consideration is payable within 90 days from the date of the Land Use Rights Grant Contract.

The development and construction of the Land shall comply with the planning conditions specified by the administrative department in charge of planning. It is currently anticipated that construction on the Land shall commence around October 2014 and be completed before 31 December 2017. Development of the Land will be carried out in four phrases: the first three phrases comprising of a number of residential and commercial complexes and the fourth phrase comprises of offices buildings. It is currently expected that pre-sales of properties in first phrase will commence around August 2015.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Due to rapid economic growth in Tianjin, its property market is active and has room for growth. The Land is located in the area of the New Eight Lanes* (新八大裏地區), a major development area of Tianjin, adjacent to green land and commercial areas. Furthermore, there will be a metro station in proximity which provides the Land with convenient transportation. Given the superior geographical location with good ancillary facilities nearby, the Board considers that the Land is of good development potential.

The Board is of the view that the Acquisition can bring positive return and enhance the overall profitability of the Company. The Board considers that the Acquisition is in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

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

Tianjin Boya is an indirect non-wholly-owned subsidiary of the Company formed together with Tianjin Xinronghua and Tianjin Jindong solely for the purpose of real estate development of the Land.

Tianjin Boya will have a term of 20 years commencing from 30 June 2014. Upon expiry of its term, Tianjin Boya can continue to exist by amending its articles of association. Financial and capital commitment to Tianjin Boya and the dividend and distribution of profits is in proportion with the respective shareholding of each of its shareholder.

Tianjin Land Bureau is a PRC governmental authority and the seller of the Land.

Tianjin Land Transaction Centre principally manages, inter alia, land transactions and initial stages of land grant in Tianjin, the PRC.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE ACQUISITION ON THE COMPANY

Immediately upon the Acquisition and assuming HK\$4,938.4 million to be satisfied by bank borrowings and loan from substantial shareholder or its related companies, the total assets and the total liabilities of the Group will be increased by HK\$4,938.4 million. The Company considers that there will not be any material effect on the earnings of the Group immediately upon the Acquisition.

LISTING RULES IMPLICATIONS

Since the applicable Percentage Ratios in respect of the Acquisition exceed 100%, the Acquisition is a very substantial acquisition under Chapter 14 of the Listing Rules. The Acquisition is regarded as a qualified property acquisition under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land in the PRC from a PRC Governmental Body through a listing-for-sale governed by PRC Law and is undertaken by the Group, Tianjin Jindong (being a qualified connected person) and Tianjin Xinronghua (being a qualified connected person) via Tianjin Boya on a joint basis which is for the purpose relating to the acquisition and development of the Land which is consistent with the purpose of the Listing-for-sale. The Board confirms that the Acquisition is in the Group's ordinary and usual course of business and that the Acquisition and the arrangement between the joint venture partners of Tianjin Boya (including its financing and profit distribution arrangements) are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole. The Acquisition is subject to reporting and announcement requirements and is exempt from shareholders' approval requirements pursuant to Rule 14.33A of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the financial information of the Group and general information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Peking University Resources (Holdings) Company Limited
Yu Li
Chairwoman

1. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out in this circular the financial information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 December 2011 has been set out in pages 25 to 93 of the annual report 2011 of the Company which was posted on 27 April 2012 on the Stock Exchange's website (<http://www.hkexnews.hk>).

The audited consolidated financial statements of the Group for the year ended 31 December 2012 has been set out in pages 29 to 95 of the annual report 2012 of the Company which was posted on 24 April 2013 on the Stock Exchange's website (<http://www.hkexnews.hk>).

The audited consolidated financial statements of the Group for the year ended 31 December 2013 has been set out in pages 47 to 142 of the annual report 2013 of the Company which was posted on 25 April 2014 on the Stock Exchange's website (<http://www.hkexnews.hk>).

2. INDEBTEDNESS STATEMENT

At the close of business on 30 June 2014, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$2,903.7 million which comprised unsecured bank loans and other borrowings of approximately HK\$2,667.0 million and secured bank loans and other borrowings of approximately HK\$236.7 million. The above unsecured bank loans included bank loans and other borrowings of approximately HK\$522.1 million guaranteed by Peking Founder, a substantial shareholder of the Company, and approximately HK\$24.9 million guaranteed by PKU Resources, a substantial shareholder of the Company; and unsecured other loans of approximately HK\$1,974.0 million were borrowed from PKU Resources directly or through third parties. The secured bank loans and other borrowings of approximately HK\$194.0 million were secured by certain of the Group's properties under development and approximately HK\$42.7 million were secured by pledge of certain of the Group's bills receivable.

As at the close of business on 30 June 2014, the Group provided a guarantee of approximately HK\$392.1 million in respect of mortgage facilities for certain purchasers of the Group's properties sold to these purchasers.

Save as disclosed above and apart from intra-group liabilities, the Group did not have, at the close of business on 30 June 2014, 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 Group's internal resources, available banking facilities and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for the period of twelve months from the date of this circular.

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

In the coming financial year, the 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.

For the 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 investment opportunities from time to time to diversify its existing business portfolio and to broaden its source of income.

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 higher profit margin 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. FINANCIAL EFFECT OF THE ACQUISITION

Immediately upon the Acquisition and assuming HK\$4,938.4 million to be satisfied by bank borrowings and loan from substantial shareholder or its related companies, the total assets and the total liabilities of the Group will be increased by HK\$4,938.4 million. The Company considers that there will not be any material effect on the earnings of the Group immediately upon the Acquisition.

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 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 INTERESTS BY DIRECTORS

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:

(a) Long positions in the Shares of the Company under the SFO

| Name of Director | Number of ordinary shares held | Nature of Interest | Percentage of the Company's issued share capital |
|-------------------------|---------------------------------------|---------------------------|---|
| Mr Zhang Zhao Dong | 3,956,000 | Beneficial interest | 0.16% |
| Mr Zheng Fu Shuang | 200,019,000 | Beneficial interest | 8.34% |

(b) **Directors' rights to acquire shares in the Company and any of its associated corporations***Directors' interests in share options of the Company*

| Name of Directors | Number of share options held | Date of grant of share options | Exercise period of share options | Exercise price of share options |
|--------------------------|-------------------------------------|---------------------------------------|---|--|
| 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 | 10,514,050 | 5.12.2011 | 5.12.2012 to 4.12.2014 | 0.281 |
| Mr Zhang Zhao Dong | 16,339,690 | 10.6.2013 | 10.6.2014 to 9.6.2016 | 0.910 |
| Mr Xie Ke Hai | 10,514,050 | 5.12.2011 | 5.12.2012 to 4.12.2014 | 0.281 |
| Mr Xie Ke Hai | 16,339,690 | 10.6.2013 | 10.6.2014 to 9.6.2016 | 0.910 |

Save as disclosed in this paragraph, 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.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been 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 since 31 December 2013, being the date to which the latest published audited consolidated accounts of the Company were made up.

No Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

3. 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 position 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) | 1 | Through a controlled corporation | 1,756,288,254 | 73.24% |
| PKU Resources | 2 | Through a controlled corporation | 1,756,288,254 | 73.24% |
| 北大資源集團控股有限公司 (Peking University Resources Group Holdings Co., Ltd.*) | 3 | Through a controlled corporation | 1,756,288,254 | 73.24% |
| Peking Founder | 4 | Through a controlled corporation | 1,756,288,254 | 73.24% |
| Founder Information | 5 | Directly beneficially owned | 1,756,288,254 | 73.24% |

* For identification purpose only

Notes:

1. Peking University Asset Management Company Limited is deemed to be interested in the 1,756,288,254 shares of the Company under the SFO by virtue of its interest in PKU Resources and Peking Founder.
2. PKU Resources is deemed to be interested in the 1,756,288,254 shares of the Company under the SFO by virtue of its interest in Peking University Resources Group Holdings Co., Ltd.
3. Peking University Resources Group Holdings Co., Ltd. is deemed to be interested in the 1,756,288,254 shares of the Company under the SFO by virtue of its interest in Founder Information, which it agreed to acquire under the share transfer agreement entered into between Peking Founder and Peking University Resources Group Holdings Co., Ltd. As at the Latest Practicable Date, the transfer of shares under the share transfer agreement is not yet completed.
4. Peking Founder is deemed to be interested in the 1,756,288,254 shares of the Company under the SFO by virtue of its interest in Founder Information.

5. Founder Information is interested in the 1,756,288,254 shares of the Company, out of which 427,906,976 shares are to be allotted and issued upon exercise of convertible bonds.

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 position 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 CONTRACT

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 and subscription agreement dated 23 August 2012 and entered into among the Company and Founder Information, pursuant to which (a) the Company has agreed to acquire entire issued shares in Hong Kong Tianranju Holdings Limited and Hong Kong Tianhe Holdings Limited from Founder Information at total consideration of HK\$537 million and (b) Founder Information agreed to subscribe the convertible bonds in aggregate principal amount of HK\$62 million issued by the Company.

6. LITIGATION AND CLAIMS

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigations or claims and no litigations or claims of material importance is pending or threatened against the Company or any member of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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.

8. GENERAL

The English text of this circular shall prevail over the Chinese text in case of inconsistency.

The company secretary of the Company is Ms Tang Yuk Bo, Yvonne, ACS, ACIS.

The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is situated at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The transfer office of the Company is situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong during normal business hours on any weekday (public holidays excluded) from the date of this circular up to and including 10 September 2014:

- (i) the bye-laws of the Company;
- (ii) the annual reports of the Company for the two years ended 31 December 2013;
- (iii) the material contract referred to in the paragraph headed "Material contract" in this appendix; and
- (iv) this circular.