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## **GREAT WALL PAN ASIA HOLDINGS LIMITED**

**(長城環亞控股有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 583)**

### **CONTINUING CONNECTED TRANSACTION**

### **RESTATED ASSET MANAGEMENT AGREEMENT**

References are made to (i) the announcement of the Company dated 19 May 2017 (the “**Announcement**”) in relation to, among other things, the continuing connected transaction contemplated under the Asset Management Agreement; and (ii) the announcement of the Company dated 12 June 2017 in relation to the delay in despatch of the Circular. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As stated in the Announcement, on 19 May 2017, the First Target Company and the Vendor entered into an asset management agreement (the “**Original Asset Management Agreement**”), pursuant to which the First Target Company conditionally agreed to provide non-discretionary asset management services to the Vendor for a term commencing from the Commencement Date and ending on the third anniversary of the Commencement Date, or the date on which the Original Asset Management Agreement is otherwise terminated pursuant to the terms therein, whichever is earlier.

### **RESTATED ASSET MANAGEMENT AGREEMENT**

On 29 June 2017, the First Target Company and the Vendor entered into an amended and restated asset management agreement (the “**Restated Asset Management Agreement**”), pursuant to which the parties thereto agree to amend and restate certain terms of the Original Asset Management Agreement, in particular to amend, among other things, (i) the scope of services to be provided by the First Target Company from non-discretionary asset management services to discretionary asset management services; (ii) the management fee; and (iii) the proposed Annual Caps.

Principal amendments to the Original Asset Management Agreement made pursuant to the Restated Asset Management Agreement are set out as follows:

\* *For identification purpose only*

## **Subject Matters**

Pursuant to the Restated Asset Management Agreement, the First Target Company conditionally agreed to provide discretionary asset management services to the Vendor, and will have full authority and discretion, without prior notice to or consent from the Vendor, to make decisions to invest the Assets, including without limitation to:

- (a) buy, sell, exchange, redeem, hold, convert, re-invest, dispose, or otherwise deal with the Assets, including to leave the Assets un-invested;
- (b) exercise or refrain from exercising any right conferred by a particular investment to buy, sell, subscribe for, exchange or redeem an investment;
- (c) comply with any obligations under applicable law to take or refrain from taking any action in connection with the Assets;
- (d) generally enter into any kind of transaction or arrangement which is necessary or incidental to the provision of Services by the First Target Company; and
- (e) any other services as set out in the Restated Asset Management Agreement.

## **Term**

The term of the Restated Asset Management Agreement is for three years, commencing on the Commencement Date and ends on (i) the third anniversary of the Commencement Date, (ii) the date on which the Restated Asset Management Agreement is otherwise terminated as agreed between the parties in writing, or (iii) the date on which the First Target Company unilaterally terminates the Restated Asset Management Agreement for the purpose of complying with any requirements under the Listing Rules or conditions imposed by the Stock Exchange, whichever is earlier.

## **Management Fees**

As consideration for performing the Services in accordance with the terms of the Restated Asset Management Agreement, the Vendor will pay to the First Target Company, a fee equal to 1.5% per annum of the Assets payable at the end of each calendar month, which was determined with reference to (i) the relatively small size of the Assets under management; (ii) the prevailing market rates ranging from 1.0% to 2.0% for provision of similar services as advised by the responsible officers of the First Target Company based on their market experiences; (iii) the pricing policy agreed by the responsible officers of the First Target Company and the Vendor, having considered the aforesaid prevailing market rates and size of the Assets under management; and (iv) the estimated costs and expenses of the First Target Company during the term of the Restated Asset Management Agreement.

## Proposed Annual Caps and Basis of Determination

It is proposed that the Annual Cap for the Services for each of the financial years ending 31 December 2017, 2018, 2019 and 2020 during the term of the Restated Asset Management Agreement, being three years commencing from the Commencement Date, is expected not to exceed the following:

	2017 HK\$	2018 HK\$	2019 HK\$	2020 HK\$
Provision of Services by First Target Company to Vendor	13,500,000 <sup>(Note)</sup>	40,500,000	40,500,000	27,000,000 <sup>(Note)</sup>

*Note:* The proposed Annual Cap for each financial year above is estimated on the assumption that completion of the First Acquisition will take place at the end of August 2017.

The above proposed Annual Caps for the Services were determined with reference to (i) the expected net asset value of the Assets committed by the Vendor pursuant to the Restated Asset Management Agreement, which pursuant to the Restated Asset Management Agreement shall be no more than HK\$2,700,000,000 and no less than HK\$2,000,000,000 during the term of the Restated Asset Management Agreement, subject to the First Target Company's sole discretion to adjust the aforesaid minimum amount to a sum no more than HK\$2,000,000,000 upon notice to the Vendor; and (ii) the management fee equal to 1.5% per annum of the Assets as per the prevailing market rate for provision of similar services.

Save for the above amendments and the corresponding and consequential changes, all other terms and conditions of the Original Asset Management Agreement remain unchanged as in the Restated Asset Management Agreement. The Restated Asset Management Agreement replaces and supersedes the Original Asset Management Agreement in its entirety.

## IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Great Wall Pan Asia (BVI) is the controlling Shareholder of the Company holding approximately 74.89% of the total issued share capital of the Company and Great Wall Pan Asia (BVI) is wholly-owned by the Vendor. Therefore, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules.

Following the completion of the First Acquisition, the First Target Company will become an indirect wholly-owned subsidiary of the Company.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the annual cap amount under the Restated Asset Management Agreement are more than 5%, the transaction contemplated under the Restated Asset Management Agreement will constitute a non-exempt continuing connected transaction under Chapter 14A of the Listing Rules upon the completion of the First Acquisition and therefore is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

## **SGM**

The SGM will be convened at which a resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve, among other things, the transactions contemplated under the Restated Asset Management Agreement (including the proposed Annual Caps). Great Wall Pan Asia (BVI) and its associates are required to abstain from voting with respect to the resolutions for approving, among other things, the transactions contemplated under the Restated Asset Management Agreement (including the proposed Annual Caps).

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Restated Asset Management Agreement (including the proposed Annual Caps) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise and make recommendations to the Independent Shareholders as to how to vote at the SGM on the resolution in relation to the Restated Asset Management Agreement (including the proposed Annual Caps), after taking into account the advice from the Independent Financial Adviser. No member of the Independent Board Committee has any material interest in the transactions contemplated under the Restated Asset Management Agreement.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions (including the proposed Annual Caps) as contemplated under the Restated Asset Management Agreement.

As disclosed in the announcement of the Company dated 12 June 2017, the Circular containing, among other things, (i) further details of the Acquisitions and the transactions as contemplated under the Restated Asset Management Agreement (including the proposed Annual Caps); (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of, among other things, the Acquisitions and the transactions as contemplated under Restated Asset Management Agreement (including the proposed Annual Caps); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of, among other things, the Acquisitions and the transactions as contemplated under Restated Asset Management Agreement (including the proposed Annual Caps); (iv) financial information of the Target Companies; and (v) a notice of the SGM, will be despatched to the Shareholders on or before 30 June 2017 in accordance with the Listing Rules. The Shareholders and potential investors should refer to the Circular for further details of the Acquisition Agreements and the transactions contemplated thereunder, and the Restated Asset Management Agreement and the transactions contemplated thereunder (including the proposed Annual Caps).

## **WARNING**

**The Acquisitions and the Restated Asset Management Agreement together with the transactions contemplated thereunder are subject to a number of conditions including but not limited to the approval by the Independent Shareholders, which may or may not be fulfilled, and therefore may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing or contemplating in dealing in the Shares. If in doubt, Shareholders and potential investors of the Company are recommended to consult their professional adviser(s).**

By Order of the Board  
**Great Wall Pan Asia Holdings Limited**  
**OU Peng**  
*Chairman*

Hong Kong, 29 June 2017

*As at the date of this announcement, the Board consists of Mr. Ou Peng and Mr. Meng Xuefeng as executive Directors of the Company, Mr. Huang Hu and Ms. Lv Jia as non-executive Directors of the Company, and Dr. Song Ming, Dr. Sun Mingchun and Mr. Woo Chin Wan as independent non-executive Directors of the Company.*