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*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 21)**

## **CONTINUING CONNECTED TRANSACTION**

### **2017 PROPERTY LEASING AGREEMENTS**

Reference is made to the Announcement in relation to, among others, Second Property Leasing Agreement entered into between Waytung China and GCI, which will expire on 30 April 2017. On 28 April 2017, (i) Waytung China and GCI entered into the 2017 Property Leasing Agreement I; (ii) Great China (Huizhou) and GCI entered into the 2017 Property Leasing Agreement II; and (iii) Great China (Shanwei) and GCI entered into the 2017 Property Leasing Agreement III.

GCI is indirectly wholly-owned by Mr. Huang, the executive Director, controlling shareholders and chairman of the Group. As such, GCI is a connected person to the Company. Pursuant to Chapter 14A of the Listing Rules, each of the transactions contemplated under the 2017 Property Leasing Agreements constitutes a continuing connected transaction of the Company.

According to Rule 14A.81 of the Listing Rules, all transactions contemplated under the 2017 Property Leasing Agreements should be aggregated. As the applicable percentage ratios (after aggregation) are more than 0.1% but less than 25% and the value of the largest annual cap is less than HK\$10,000,000, the Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the Announcement in relation to, among others, Second Property Leasing Agreement entered into between Waytung China and GCI, which will expire on 30 April 2017.

On 28 April 2017, (i) Waytung China and GCI entered into the 2017 Property Leasing Agreement I; (ii) Great China (Huizhou) and GCI entered into the 2017 Property Leasing Agreement II; and (iii) Great China (Shanwei) and GCI entered into the 2017 Property Leasing Agreement III.

Set out below is a summary of the principal terms of the 2017 Property Leasing Agreements:

## **1. 2017 PROPERTY LEASING AGREEMENT I**

Area	400 sq.m.
Lease term	1 May 2017 to 30 April 2019
Lessee	Waytung China, a direct wholly-owned subsidiary of the Company
Lessor	GCI, which is indirectly wholly-owned by Mr. Huang
Property leased	the premises located at Flat 3601, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場西區36樓3601室)
Monthly rental	RMB68,000 (equivalent to approximately HK\$76,840)
Monthly management fee	RMB12,260 (equivalent to approximately HK\$13,854)
Other terms and conditions	<p>The monthly rental and management fee are payable on the 10<sup>th</sup> day of each calendar month. Subject to compliance with the Listing Rules, Waytung China may give at least three-month notice before the expiry of the 2017 Property Leasing Agreement I to GCI in order to continue to lease Property I from GCI.</p> <p>Waytung China shall be responsible for the other expenses incurred by Waytung China at the premises. GCI shall be responsible for the housing and land related tax.</p>

## **2. 2017 PROPERTY LEASING AGREEMENT II**

Area	500 sq.m.
Lease term	1 May 2017 to 30 April 2019
Lessee	Great China (Huizhou), an indirect wholly-owned subsidiary of the Company
Lessor	GCI, which is indirectly wholly-owned by Mr. Huang
Property leased	the premises located at Flat 3602, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場西區36樓3602室)

Monthly rental	RMB85,000 (equivalent to approximately HK\$96,050)
Monthly management fee	RMB15,325 (equivalent to approximately HK\$17,317)
Other terms and conditions	<p>The monthly rental and management fee are payable on the 10<sup>th</sup> day of each calendar month. Subject to compliance with the Listing Rules, Great China (Huizhou) may give at least three-month notice before the expiry of the 2017 Property Leasing Agreement II to GCI in order to continue to lease the Property II from GCI.</p> <p>Great China (Huizhou) shall be responsible for the other expenses incurred by Great China (Huizhou) at the premises. GCI shall be responsible for the housing and land related tax.</p>

### 3. 2017 PROPERTY LEASING AGREEMENT III

Area	300 sq.m.
Lease term	1 May 2017 to 30 April 2019
Lessee	Great China (Shanwei), an indirect wholly-owned subsidiary of the Company
Lessor	GCI, which is indirectly wholly-owned by Mr. Huang
Property leased	the premises located at Flat 3603, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場西區36樓3603室)
Monthly rental	RMB51,000 (equivalent to approximately HK\$57,630)
Monthly management fee	RMB9,195 (equivalent to approximately HK\$10,390)
Other terms and conditions	<p>The monthly rental and management fee are payable on the 10<sup>th</sup> day of each calendar month. Subject to compliance with the Listing Rules, Great China (Shanwei) may give at least three-month notice before the expiry of the 2017 Property Leasing Agreement III to GCI in order to continue to lease the Property III from GCI.</p> <p>Great China (Shanwei) shall be responsible for the other expenses incurred by Great China (Shanwei) at the premises. GCI shall be responsible for the housing and land related tax.</p>

## HISTORICAL TRANSACTION AMOUNTS AND PROPOSED ANNUAL CAPS

The historical figures and the historical annual caps for the rental and management fee (including the air-conditioning and maintenance fee) payable by the Group in respect of the Property Leasing Agreement and the Second Property Leasing Agreement are set out as follows:

	<b>Year ended 31 December 2013</b>	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2015</b>	<b>Year ended 31 December 2016</b>	<b>Four months ended 30 April 2017</b>
<b>Historical figures</b>					
<i>RMB ('000)</i>	1,841	2,598	2,165	2,923	974
<b>Historical annual caps</b>					
<i>RMB ('000)</i>	1,841	2,598	2,165	2,923	974

In arriving at the annual caps for the aggregate rental and management fee (including the air-conditioning and maintenance fee) payable by the Group to GCI under the 2017 Property Leasing Agreements, the Directors have taken into account (i) the previous annual caps under the Property Leasing Agreement and the Second Property Leasing Agreement; and (ii) the aggregate amounts payable or estimated figures to be paid by the Group during the term of the 2017 Property Leasing Agreements.

The annual caps for the aggregate rental and management fee (including the air-conditioning and maintenance fee) payable by the Group to GCI under the 2017 Property Leasing Agreements are as follows:

	<b>Year ending 31 December 2017</b>	<b>Year ending 31 December 2018</b>	<b>Four months ending 30 April 2019</b>
<b>Proposed annual caps</b>			
<i>RMB ('000)</i>	2,900	2,890	964

There is no other similar transaction which should be aggregated with the 2017 Property Leasing Agreements pursuant to Rule 14A.83 of the Listing Rules.

The rental and management fee (including the air-conditioning and maintenance fee) under each of the 2017 Property Leasing Agreements had been determined by the parties thereto after arm's length negotiation with reference to the prevailing market rates for comparable properties in the relevant neighborhood. The Group intends to settle the payment through the internal funds of the Group.

The Directors (including the independent non-executive Directors) are of the view that the proposed annual caps are in line with the prevailing market rates and are fair and reasonable.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The terms of each of the 2017 Property Leasing Agreements, including the rental and management fees payable by the Group, are arrived at after arm's length negotiations between the parties thereto with reference to the prevailing market rental and management fees of comparable properties in the area where the Properties are situated.

The Directors, including all the independent non-executive Directors, are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, the terms of the Transactions and the proposed annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE GROUP AND GCI**

The principal business activities of the Group are property development and investment and investment holding.

GCI is principally engaged in property investment, construction, operation and management.

## **LISTING RULES IMPLICATIONS**

GCI is indirectly wholly-owned by Mr. Huang, the executive Director, controlling shareholders and chairman of the Group. As such, GCI is a connected person to the Company. Pursuant to Chapter 14A of the Listing Rules, each of the transactions contemplated under the 2017 Property Leasing Agreements constitutes a continuing connected transaction of the Company.

According to Rule 14A.81 of the Listing Rules, all transactions contemplated under the 2017 Property Leasing Agreements should be aggregated. As the applicable percentage ratios (after aggregation) are more than 0.1% but less than 25% and the value of the largest annual cap is less than HK\$10,000,000, the Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Except for Mr. Huang and Ms. Huang, no Directors have any material interests in the Transactions and thus save for Mr. Huang and Ms. Huang, none of the other Directors were required to abstain from voting on the Board resolutions for considering and approving the 2017 Property Leasing Agreements and the proposed annual caps. Mr. Huang and Ms. Huang had not attended and had abstained from voting on the Board meeting for considering and approving the 2017 Property Leasing Agreements and the proposed annual caps.

## **DEFINITIONS**

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“2017 Property Leasing Agreement I”	the leasing agreement dated 28 April 2017 entered into between Waytung China and GCI in relation to the lease of Property I for a term of 2 years from 1 May 2017 to 30 April 2017
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“2017 Property Leasing Agreement II”	the leasing agreement dated 28 April 2017 entered into between Great China (Huizhou) and GCI in relation to the lease of Property II for a term of 2 years from 1 May 2017 to 30 April 2017
“2017 Property Leasing Agreement III”	the leasing agreement dated 28 April 2017 entered into between Great China (Shanwei) and GCI in relation to the lease of Property III for a term of 2 years from 1 May 2017 to 30 April 2017
“2017 Property Leasing Agreements”	the Property Leasing Agreement I, the Property Leasing Agreement II and the Property Leasing Agreement III
“Announcement”	the announcement of the Company dated 30 April 2015
“Board”	the board of Directors
“Company”	Great China Properties Holdings Limited, a company incorporated under the laws of Hong Kong and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“GCI”	大中華國際集團(中國)有限公司 (Great China International Group (China) Limited*), a company established in the PRC with limited liability and indirectly wholly-owned by Mr. Huang
“Great China (Huizhou)”	大中華實業(惠州)有限公司 (Great China Enterprises (Huizhou) Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Great China (Shanwei)”	汕尾市大中華實業有限公司 (Shanwei Great China Enterprises Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Shih Tsai, the executive Director, controlling shareholder and chairman of the Group and father of Ms. Huang
“Ms. Huang”	Ms. Huang Wenxi, the chief executive officer and executive Director and daughter of Mr. Huang
“PRC”	The People’s Republic of China
“Properties”	Property I, Property II and Property III
“Previous Premises”	the premises located at 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場36樓西區)
“Property I”	the premises located at Flat 3601, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場西區36樓3601室)
“Property II”	the premises located at Flat 3602, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場西區36樓3602室)
“Property III”	the premises located at Flat 3603, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場西區36樓3603室)
“Property Leasing Agreement”	the leasing agreement and the supplemental agreements dated 31 January 2013 entered into between Waytung China and GCI in relation to the lease of the Previous Premises for a term of 2 years from 1 February 2013 to 31 January 2015
“Second Property Leasing Agreement”	the leasing agreement dated 30 April 2015 entered into between Waytung China and GCI in relation to the lease of the Previous Premises from 1 May 2015 to 30 April 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions”	the transactions contemplated under the 2017 Property Leasing Agreements
“Waytung China”	滙通天下控股(中國)有限公司 (Waytung Global Holding (China) Limited*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“%”	per cent.

*For the purposes of illustration only, the amount denominated in RMB in this announcement are translated into HK\$ at the rate of RMB1 = HK\$1.13. Such translation should not be construed as a representation that the currency could actually be converted into HK\$ at that rate or at all.*

*\* for identification purposes only*

By Order of the Board  
**Great China Properties Holdings Limited**  
**Huang Shih Tsai**  
*Chairman*

Hong Kong, 28 April 2017

*As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Huang Shih Tsai (Chairman) and Ms. Huang Wenxi (Chief Executive Officer), three Independent Non-executive Directors, namely Mr. Cheng Hong Kei, Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum.*

*Please also refer to the published version of this announcement on the Company’s website <http://www.greatchinaproperties.com>.*