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**Datang Group Holdings Limited**

**大唐集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2117)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTION  
2023 MASTER PROPERTY MANAGEMENT SERVICES AGREEMENT**

**INTRODUCTION**

Reference is made to the prospectus of the Company dated 27 November 2020 in relation to, among other things, the Master Property Management Services Agreement and the announcement of the Company dated 15 December 2021 in relation to the revision of the annual caps under the Master Property Management Services Agreement. As the Master Property Management Services Agreement has expired on 31 December 2022 and the Group is expected to continue to carry on the transactions contemplated thereunder after its expiry, Xiamen Datang entered into the 2023 Master Property Management Services Agreement with Tangrenjia Property on 31 January 2023 (after trading hours) to renew the Master Property Management Services Agreement for a term of three years commencing retrospectively from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

**LISTING RULES IMPLICATIONS**

Tangrenjia Property is indirectly owned as to 75% by Xiamen Xindi and 25% by Xiamen Fuxin through Shanghai Tangrenjia Life Service Co., Ltd.\* (上海唐人嘉生活服務有限公司). Xiamen Xindi is owned as to 70% by Fuxin Group and 30% by Mr. Wu. Fuxin Group is in turn owned as to 61.03% by Ms. Wong. Xiamen Fuxin is owned as to 51.26% by Xiamen Xindi, and 48.74% by Good First Group, which is owned as to 90% by Ms. Wong and 10% by Mr. Wu. Accordingly, Tangrenjia Property is indirectly owned as to more than 30% by Ms. Wong, a controlling shareholder of the Company. As such, Tangrenjia Property is a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules under the 2023 Master Property Management Services Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the 2023 Master Property Management Services Agreement are subject to reporting, annual review and announcement requirements, but exempt from the circular and independent shareholders' approval requirements

under Chapter 14A of the Listing Rules. As all the percentage ratios (other than the profits ratio) of the transaction amount for the Property Management Services are less than 0.1% for the period from 1 January 2023 to 31 January 2023, it is fully exempted under the 14A.76(1)(a) of the Listing Rules.

## INTRODUCTION

Reference is made to the prospectus of the Company dated 27 November 2020 in relation to, among other things, the Master Property Management Services Agreement and the announcement of the Company dated 15 December 2021 in relation to the revision of the annual caps under the Master Property Management Services Agreement. As the Master Property Management Services Agreement has expired on 31 December 2022 and the Group is expected to continue to carry on the transactions contemplated thereunder after its expiry, Xiamen Datang entered into the 2023 Master Property Management Services Agreement with Tangrenjia Property on 31 January 2023 (after trading hours) to renew the Master Property Management Services Agreement for a term of three years commencing retrospectively from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

## 2023 MASTER PROPERTY MANAGEMENT SERVICES AGREEMENT

Principal terms of the 2023 Master Property Management Services Agreement are set out below:

- Date:** 31 January 2023
- Parties:** (1) Xiamen Datang; and  
(2) Tangrenjia Property.
- Scope of service:** Xiamen Datang agreed to engage Tangrenjia Group to provide property management and related services, including but not limited to (i) pre-delivery services and property management services for unsold properties owned by Xiamen Datang Group; (ii) house inspection and cleaning services; and (iii) display units and on-site sales office management services (the “**Property Management Services**”).
- Term:** Commencing retrospectively from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

**Pricing and other terms:**

The 2023 Master Property Management Services Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transaction between Xiamen Datang Group and Tangrenjia Group. It is envisaged that from time to time and as required, individual service agreements may be required to be entered into between Xiamen Datang Group and Tangrenjia Group. Each individual service agreement will set out the scope of Property Management Services to be provided by Tangrenjia Group to Xiamen Datang Group, the fees for the services to be paid by Xiamen Datang Group and any detailed specifications which may be relevant to those engagements. The individual service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the 2023 Master Property Management Services Agreement.

**Annual caps:**

It is proposed that the annual caps for the transactions contemplated under the 2023 Master Property Management Services Agreement for the three years ending 31 December 2025 are expected not to exceed the following:

	<b>For the year ending 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(in millions)</i>	<i>(in millions)</i>	<i>(in millions)</i>
Provision of the Property Management Services by Tangrenjia Group to Xiamen Datang Group	32.5	30.6	31

In arriving at the above annual caps, the Directors have considered the following factors:

- (i) the historical transaction amounts under the Master Property Management Services Agreement of RMB62 million, RMB93 million and RMB58 million for the three years ended 31 December 2022, respectively;
- (ii) the number of current property projects for which Xiamen Datang Group have engaged Tangrenjia Group to provide the Property Management Services, being 49;

- (iii) the GFA of properties which will require pre-delivery services in 2023, being 940 thousand sq.m.. According to its business development plan, Xiamen Datang Group anticipates to complete 16, 10, and 6 projects for each of the three years ending 31 December 2025, respectively; and
- (iv) the number of property projects to be pre-sold by Xiamen Datang Group and the corresponding number of display units and sales office which will involve Tangrenjia Group for the provision of on-site management services for each of the years ending 31 December 2023, 2024 and 2025. Xiamen Datang Group plans to operate a total of 15, 6 and 6 sales offices for such projects developed or to be developed for each of the three years ending 31 December 2025, respectively. For each of the sales offices, Xiamen Datang normally builds up two to three display units.

The demand for the Property Management Services is driven by the property development and launching plan of Xiamen Datang Group. However, due to the macro factors and uncertainties in the property development market, Xiamen Datang Group has adjusted its development and launching plans and tightened the expansion of sales offices in the coming three years and therefore the demand for Property Management Services is expected to be decreased under the 2023 Master Property Management Services Agreement as compared with that under the Master Property Management Services Agreement.

## **PRICING POLICY AND INTERNAL CONTROL MEASURES OF THE 2023 MASTER PROPERTY MANAGEMENT SERVICES AGREEMENT**

During the term of the 2023 Master Property Management Services Agreement, Xiamen Datang Group shall from time to time enter into specific agreements with Tangrenjia Group for the provision of Property Management Services in accordance with the terms of the 2023 Master Property Management Services Agreement.

The Group adopts the following measures to ensure that the terms offered by Tangrenjia Group under the 2023 Master Property Management Services Agreement are on normal commercial terms and shall not be less favourable to the Group than terms available from Independent Third Parties:

- (1) the service fees to be charged for the Property Management Services shall be determined with reference to a number of factors, including (i) the total GFA of the property development projects of which the Property Management Services would be required; (ii) the anticipated operational costs (including labor costs, material costs and administrative costs); and (iii) the prevailing market price for similar services and similar types of projects; and

- (2) before entering into any individual agreement, the marketing and cost department of the Group collects at least two other contemporaneous transactions of the Group of similar services (in terms of nature, size and location of the properties and the scope of services) carried out with Independent Third Parties or quoted by Independent Third Parties. The marketing and cost department of the Group will then agree on a service fee quoted by Tangrenjia Group which shall be more favourable to the Group than such terms offered by the Independent Third Parties for similar services.

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant responsible personnel and management of the Group in charge to ensure the relevant continuing connected transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant responsible personnel and management of the Group will review and assess the terms before entering to the specific agreements to ensure they are consistent with the principles and provisions set out in the 2023 Master Property Management Services Agreement.

Regular checks will be conducted on a quarterly basis to review and assess whether the transactions contemplated under the 2023 Master Property Management Services Agreement are conducted in accordance with the terms of their respective agreements and the fee charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy respectively.

The independent non-executive Directors will continue to review the transactions contemplated under the 2023 Master Property Management Services Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps of the relevant continuing connected transactions thereof.

In view of the foregoing, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the 2023 Master Property Management Services Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 MASTER PROPERTY MANAGEMENT SERVICES AGREEMENT**

Tangrenjia Group has sufficient manpower and resources to provide the Property Management Services to the Group. As Tangrenjia Group has been providing the Property Management Services to the Group since 2010, it has (i) more efficient communications with the Group; and (ii) a more thorough understanding of the conditions and requirements of the services needed for the Group's property projects. By conducting the transactions contemplated under the 2023 Master Property Management Services Agreement, the Group would be able to leverage on Tangrenjia Group's business capabilities, experience and expertise to bring in value to the projects of the Group.

The Directors (including the independent non-executive Directors) consider that the 2023 Master Property Management Services Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group after arm's length negotiations between the Company and Tangrenjia Property and the terms of the 2023 Master Property Management Services Agreement are on normal commercial terms or better, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON XIAMEN DATANG AND THE GROUP**

Xiamen Datang is principally engaged in property development business in the PRC and is an indirect wholly-owned subsidiary of the Company. The Group is principally engaged in property development business in the PRC.

## **INFORMATION ON TANGRENJIA PROPERTY**

Tangrenjia Property, a company incorporated in the PRC with limited liability, is principally engaged in providing property services. Tangrenjia Property is indirectly owned as to 75% by Xiamen Xindi and 25% by Xiamen Fuxin through Shanghai Tangrenjia Life Service Co., Ltd.\* (上海唐人嘉生活服務有限公司) Xiamen Xindi is owned as to 70% by Fuxin Group and 30% by Mr. Wu. Fuxin Group is in turn owned as to 61.03% by Ms. Wong, 18.01% by Ms. Chan Tanyee, 18.01% by Ms. Chan Tinyiu, 1.96% by Xiamen Hexin, 1% by Mr. Chan Cheungming. Xiamen Hexin is owned as to 1% by Mr. Wu and 99% by Ms. Zhang Jianhua (張建華). Xiamen Fuxin is owned as to 51.26% by Xiamen Xindi, and 48.74% by Good First Group, which is owned as to 90% by Ms. Wong and 10% by Mr. Wu.

## **LISTING RULES IMPLICATIONS**

Tangrenjia Property is indirectly owned as to 75% by Xiamen Xindi and 25% by Xiamen Fuxin through Shanghai Tangrenjia Life Service Co., Ltd.\* (上海唐人嘉生活服務有限公司). Xiamen Xindi is owned as to 70% by Fuxin Group and 30% by Mr. Wu. Fuxin Group is in turn owned as to 61.03% by Ms. Wong. Xiamen Fuxin is owned as to 51.26% by Xiamen Xindi, and 48.74% by Good First Group, which is owned as to 90% by Ms. Wong and 10% by Mr. Wu. Accordingly, Tangrenjia Property is indirectly owned as to more than 30% by Ms. Wong, a controlling shareholder of the Company. As such, Tangrenjia Property is a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules under the 2023 Master Property Management Services Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the 2023 Master Property Management Services Agreement are subject to reporting, annual review and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As all the percentage ratios (other than the profits ratio) of the transaction amount for the Property Management Services are less than 0.1% for the period from 1 January 2023 to 31 January 2023, it is fully exempted under the 14A.76(1)(a) of the Listing Rules.

At the Board meeting held to approve the 2023 Master Property Management Services Agreement, Mr. Wu was considered as having a material interest in the transactions contemplated under the 2023 Master Property Management Services Agreement. Accordingly, Mr. Wu had abstained from voting on the Board resolution for approving the 2023 Master Property Management Services Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors was required to abstain from voting on the relevant Board resolution.

## DEFINITIONS

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

“2023 Master Property Management Services Agreement”	the agreement entered into between Xiamen Datang and Tangrenjia Property on 31 January 2023 in relation to the renewal of the Master Property Management Services Agreement for a term commencing retrospectively from 1 January 2023 and ending on 31 December 2025 (both days inclusive)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Datang Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2117)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fuxin Group”	Fuxin Group Co., Ltd.* (福信集團有限公司), a company established in the PRC with limited liability
“GFA”	gross floor area
“Good First Group”	Good First Group Co., Ltd.* (福信集團有限公司), a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and the Directors, chief executive, controlling shareholders and substantial shareholders of the Company or its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Property Management Services Agreement”	the agreement dated 20 November 2020 entered into between Xiamen Datang and Tangrenjia Property in relation to the provision of the Property Management Services by Tangrenjia Group to Xiamen Datang Group for a term commenced from 11 December 2020 and ended on 31 December 2022 (both days inclusive)
“Mr. Wu”	Mr. Wu Di (吳迪), one of the executive Directors of the Company
“Ms. Wong”	Ms. Wong Hei (黃晞), one of controlling shareholders of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Tangrenjia Group”	Tangrenjia Property and its subsidiaries
“Tangrenjia Property”	Xiamen Tangrenjia Property Service Co., Ltd.* (廈門唐人嘉物業服務有限公司), formerly known as Xiamen Tangren Property Management Co., Ltd.* (廈門唐人物業管理有限公司), a company established in the PRC with limited liability



“US\$”	United States dollars, the lawful currency of the United States of America
“Xiamen Datang”	Xiamen Datang Real Estate Group Co., Ltd.* (廈門大唐房地產集團有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Xiamen Datang Group”	Xiamen Datang and its subsidiaries
“Xiamen Fuxin”	Xiamen Fuxin Real Estate Co., Ltd.* (廈門福信房地產有限公司), a company established in the PRC with limited liability
“Xiamen Hexin”	Xiamen Hexin Consulting Service Co., Ltd.* (廈門合信諮詢服務有限公司), a company established in the PRC with limited liability
“Xiamen Xindi”	Xiamen Xindi Group Co., Ltd.* (廈門信地集團有限公司), a company established in the PRC with limited liability
“%”	per cent

On behalf of the Board  
**Datang Group Holdings Limited**  
**WU Di**  
*Chairman*

Hong Kong, 31 January 2023

*As at the date of this announcement, the executive Directors are Mr. WU Di, Mr. HAO Shengchun, and Mr. TANG Guozhong, the non-executive Director is Ms. CHEN Xiaoyun, and the independent non-executive Directors are Mr. CHANG Eric Jackson, Ms. XIN Zhu and Mr. LOK Chiu Chan.*

\* *For identification purposes only*