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CWT INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 521)

CONTINUING CONNECTED TRANSACTION

ENTERING INTO THE 2021 MANAGEMENT AGREEMENT IN RELATION TO A LIMITED PARTNERSHIP

Reference is made to the announcement of the Company dated 15 August 2016 in relation to the entering into of the Subscription Agreement and the 2016 Management Agreement regarding the subscription of certain interest in the Limited Partnership by Haihang Shiye, a wholly-owned subsidiary of the Company, as a limited partner.

THE 2021 MANAGEMENT AGREEMENT

As at the date of this announcement, the Limited Partnership is held as to 87.48% by the HNA Limited Partner, 12.41% by Haihang Shiye (as a limited partner) and 0.11% by the General Partner.

On 11 March 2021, Haihang Shiye entered into the 2021 Management Agreement with the Limited Partnership, the HNA Limited Partner and the General Partner to govern the rights and obligations of the General Partner and each of the limited partners of the Limited Partnership.

The Limited Partnership is engaged in property investment and/or property development projects, including a property development project in North America with an affiliate of Tishman Speyer, a global real estate development and operating company.

MANAGEMENT FEE

Pursuant to the 2021 Management Agreement, during the period when the Limited Partnership remains in existence, the General Partner shall, as compensation for managing the affairs of the Limited Partnership, receive an annual Management Fee from the Limited Partnership which equals to 0.5% of the actual aggregate capital contribution to the Limited Partnership. During the term of the 2021 Management Agreement, if the amount of capital contribution to the Limited Partnership increases, the General Partner shall be entitled to receive 0.5% of the increased amount as Management Fee.

IMPLICATIONS UNDER THE LISTING RULES

The General Partner is a wholly-owned subsidiary of HNA Investment Holdings. As at the date of this announcement, the ultimate controlling party of HNA Investment Holdings is Hainan Province Cihang Foundation, which is also the ultimate controlling party of the Company. In addition, the ultimate controlling party of the controlling shareholder of the HNA Limited Partner is Hainan Province Cihang Foundation, which is also the ultimate controlling party of the Company.

Accordingly, each of the General Partner and the HNA Limited Partner is a connected person of the Company pursuant to the Listing Rules and the payment of the Management Fee by the Limited Partnership to the General Partner pursuant to the 2021 Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the proposed annual cap for the Management Fee for each of the three years during the term of the 2021 Management Agreement are more than 0.1% but less than 5%, such transaction contemplated under the 2021 Management Agreement will be subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 15 August 2016 in relation to the entering into of the Subscription Agreement and the 2016 Management Agreement regarding the subscription of certain interest in the Limited Partnership by Haihang Shiye, a wholly-owned subsidiary of the Company, as a limited partner.

As at the date of this announcement, the Limited Partnership is held as to 87.48% by the HNA Limited Partner, 12.41% by Haihang Shiye (as a limited partner) and 0.11% by the General Partner.

On 11 March 2021, Haihang Shiye entered into the 2021 Management Agreement with the Limited Partnership, the HNA Limited Partner and the General Partner to govern the rights and obligations of the General Partner and each of the limited partners of the Limited Partnership. Pursuant to the 2021 Management Agreement, the General Partner shall manage the Limited Partnership in return for an annual Management Fee from the Limited Partnership, which equals to 0.5% of the actual aggregate capital contribution to the Limited Partnership.

The Limited Partnership is engaged in property investment and/or property development projects, including a property development project in North America with an affiliate of Tishman Speyer, a global real estate development and operating company.

THE 2021 MANAGEMENT AGREEMENT

Date

11 March 2021

Parties

- (i) Haihang Shiye (as one of the limited partners);
- (ii) the HNA Limited Partner;
- (iii) the General Partner; and
- (iv) the Limited Partnership.

Management of the Limited Partnership

Under the 2021 Management Agreement, the General Partner shall be responsible for the day-to-day operation and management of the Limited Partnership, including without limitation, managing and making decisions in relation to matters concerning the investment and other businesses of the Limited Partnership, performing the management and administrative services necessary for the operation of the Limited Partnership and retaining third parties for the provision of services relating to the operation of the Limited Partnership.

Term of the 2021 Management Agreement

Subject to the terms of the 2021 Management Agreement, the 2021 Management Agreement shall be effective for three years from the date of its execution.

Management Fee

Pursuant to the 2021 Management Agreement, during the period when the Limited Partnership remains in existence, the General Partner shall, as compensation for managing the affairs of the Limited Partnership, receive an annual Management Fee from the Limited Partnership which equals to 0.5% of the actual aggregate capital contribution to the Limited Partnership. During the term of the 2021 Management Agreement, if the amount of capital contribution to the Limited Partnership increases, the General Partner shall be entitled to receive 0.5% of the increased amount as Management Fee.

As at the date of this announcement, the actual aggregate capital contribution to the Limited Partnership is approximately RMB1,080,133,100.

Based on the actual aggregate capital contribution to the Limited Partnership and for the purpose of Rule 14A.53 of the Listing Rules, the Company determines that the annual cap for the Management Fee for each of the three years during the term of the 2021 Management Agreement will not exceed RMB5,401,000, calculated based on 0.5% of RMB1,080,133,100.

The above proposed annual cap for the Management Fee was determined after arm's length negotiation between Haihang Shiye, the General Partner and the HNA Limited Partner with reference to (i) the nature of the investment by the Limited Partnership, (ii) the previous management fee charged by the General Partner pursuant to the 2016 Management Agreement; and (iii) the prevailing market conditions.

Distributions

After settling the costs, expenses and tax incurred by the Limited Partnership, the balance of the revenue of the Limited Partnership shall be distributed to all of the Partners in proportion to their respective contributed capital in the Limited Partnership. The distribution will be made firstly to Haihang Shiye and then to the General Partner and the HNA Limited Partner.

INFORMATION OF THE GENERAL PARTNER, THE HNA LIMITED PARTNER AND THE LIMITED PARTNERSHIP

The General Partner is a company incorporated under the laws of the PRC with limited liability and is principally engaged in the management of the Limited Partnership, the investment in unlisted corporate and the investment in the non-public offering stocks of listed companies. The General Partner is a wholly-owned subsidiary of HNA Investment Holdings. The ultimate controlling party of HNA Investment Holdings is Hainan Province Cihang Foundation, which is also the ultimate controlling party of the Company. Hainan Province Cihang Foundation is a foundation registered in the PRC and is principally engaged in accepting donations from the community, providing assistance on disaster relief, poverty alleviation, charity and public welfare, and organizing teams of volunteers who enthusiastically support and participate in philanthropy to carry out various forms of charity activities.

The HNA Limited Partner is a company incorporated under the laws of the PRC with limited liability and its shares are listed on the Shenzhen Stock Exchange (Stock Code: 000616). It is principally engaged in real estate investment and elderly care businesses. The ultimate controlling party of the controlling shareholder of the HNA Limited Partner is Hainan Province Cihang Foundation, which is also the ultimate controlling party of the Company.

The Limited Partnership is a limited partnership established under the laws of the PRC, with its principal scope of business in asset management (excluding management of trust and financial products and securities and other restricted businesses), investment management (excluding futures, insurance, financial products and securities), investment development, investment consultation, trade and export and import services. As at the date of this announcement, the Limited Partnership is held as to 87.48% by the HNA Limited Partner, 12.41% by Haihang Shiye (as a limited partner) and 0.11% by the General Partner.

INFORMATION OF THE GROUP

Haihang Shiye is an indirect wholly-owned subsidiary of the Company and is an investment holding company. The Company is a Hong Kong-based investment holding company principally engaged in integrated logistics services and related engineering services. The Company is also engaged in the affiliated business of commodity marketing and financial services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2021 MANAGEMENT AGREEMENT

The Board believes that the entering into of the 2021 Management Agreement will be able to assist the Limited Partnership to support its principal businesses. After taking into consideration the prevailing market conditions, the Board considers that the Management Fee to be charged by the General Partner pursuant to the 2021 Management Agreement is better than the previous management fee charged by the General Partner pursuant to the 2016 Management Agreement from the perspective of the Limited Partnership given it was reduced from 1% to 0.5%.

In light of the foregoing, the Directors (including the independent non-executive Directors) believe that the terms of the 2021 Management Agreement (together with the Management Fee to be charged by the General Partner pursuant to the 2021 Management Agreement) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The General Partner is a wholly-owned subsidiary of HNA Investment Holdings. As at the date of this announcement, the ultimate controlling party of HNA Investment Holdings is Hainan Province Cihang Foundation, which is also the ultimate controlling party of the Company. In addition, the ultimate controlling party of the controlling shareholder of the HNA Limited Partner is Hainan Province Cihang Foundation, which is also the ultimate controlling party of the Company.

Accordingly, each of the General Partner and the HNA Limited Partner is a connected person of the Company pursuant to the Listing Rules and the payment of the Management Fee by the Limited Partnership to the General Partner pursuant to the 2021 Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the proposed annual cap for the Management Fee for each of the three years during the term of the 2021 Management Agreement are more than 0.1% but less than 5%, such transaction contemplated under the 2021 Management Agreement will be subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Mr. Wu Hao, Mr. Li Neng, Mr. Zhao Quan, Mr. Chen Chao and Mr. Zhang Can, are executive directors of the Company and they currently serve as senior executives of certain companies in HNA Group respectively. Although not constituting a material conflict of interest in the above transaction, Mr. Wu Hao and Mr. Li Neng still voluntarily abstained from voting on the resolutions of the Board approving the above transaction accordingly, while Mr. Zhao Quan, Mr. Chen Chao and Mr. Zhang Can did not attend such Board meeting and did not vote on such resolutions.

DEFINITIONS

“2016 Management Agreement”	the management agreement dated 15 August 2016 entered into by Haihang Shiye, HNA Investment Holdings and the General Partner to govern the rights and obligations of the General Partner and each of the limited partners of the Limited Partnership
“2021 Management Agreement”	the management agreement dated 11 March 2021 entered into by Haihang Shiye, the HNA Limited Partner, the General Partner and the Limited Partnership to govern the rights and obligations of the General Partner and each of the limited partners of the Limited Partnership
“Board”	the board of Directors
“Company”	CWT International Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“General Partner”	海南絲路股權投資基金有限公司 (Hainan Silu Equity Investment Fund Company Limited*) (formerly known as 海南一帶一路股權投資基金有限公司 (Hainan Yidai Yilu Equity Investment Fund Company Limited*)), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of HNA Investment Holdings, being the general partner and the management company of the Limited Partnership
“Group”	the Company and its subsidiaries

“Haihang Shiye”	海航實業發展(深圳)有限公司 (Haihang Shiye Fazhan (Shenzhen) Company Limited*), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“HNA Group”	海航集團有限公司 (HNA Group Co., Ltd.*), a controlling Shareholder
“HNA Investment Holdings”	海航投資控股有限公司 (HNA Investment Holdings Ltd.*), a company incorporated under the laws of the PRC with limited liability (all interests held by it in the Limited Partnership were transferred to the HNA Limited Partner)
“HNA Limited Partner”	海航投資集團股份有限公司 (HNA Investment Group Company Limited*), a company incorporated under the laws of the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000616)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Limited Partnership”	海南海投一號投資合夥企業(有限合夥) (Hainan Haitou Number 1 Investment Limited Partnership*), a limited partnership established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Fee”	the management fee which the General Partner will receive from the Limited Partnership as compensation for the management service to be provided by the General Partner to the Limited Partnership pursuant to the 2021 Management Agreement
“Partner(s)”	the partner(s) (whether general or limited) of the Limited Partnership
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 15 August 2016 entered into by Haihang Shiye, HNA Investment Holdings (as the limited partner of the Limited Partnership) and the General Partner (as the general partner of the Limited Partnership) pursuant to which Haihang Shiye agreed to, among other things, purchase certain interest in the Limited Partnership as a limited partner

* For identification purpose only

By order of the Board
CWT INTERNATIONAL LIMITED
Li Neng
Executive Director

Hong Kong, 11 March 2021

As at the date of this announcement, the Board comprises Mr. Wu Hao (Executive Director and Co-Chairman), Mr. Li Neng (Executive Director, Co-Chairman and Chief Executive Officer), Mr. Zhao Quan (Executive Director), Mr. Chen Chao (Executive Director), Mr. Zhang Can (Executive Director), Mr. Leung Shun Sang, Tony (Independent Non-executive Director), Mr. Liem Chi Kit, Kevin (Independent Non-executive Director), Mr. Lam Kin Fung, Jeffrey (Independent Non-executive Director) and Ms. Chen Lihua (Independent Non-executive Director).