

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



Overseas Chinese Town (Asia) Holdings Limited

華僑城（亞洲）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03366)

CONTINUING CONNECTED TRANSACTION LEASE AGREEMENT

LEASE AGREEMENT

On 5 July 2019, OCT Shanghai Land entered into the Lease Agreement with Shanghai Huahe, pursuant to which OCT Shanghai Land agreed to lease the Properties to Shanghai Huahe, for a term of 36 months from 1 August 2019 to 31 July 2022.

LISTING RULES IMPLICATIONS

Shanghai Huahe is a joint venture company established in the PRC, which is owned by OCT Real Estate, a wholly-owned subsidiary of OCT Ltd., as to 50%. OCT Ltd. owns 100% interest in OCT (HK), which in turn owns 100% equity interest in Pacific Climax. Therefore, Shanghai Huahe is a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the tenancy contemplated under the Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the rent payable under the Lease Agreement on an annual basis are more than 0.1% but less than 5%, the Lease Agreement is only subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

LEASE AGREEMENT

On 5 July 2019, OCT Shanghai Land entered into the Lease Agreement with Shanghai Huahe, pursuant to which OCT Shanghai Land agreed to lease the Properties to Shanghai Huahe, for a term of 36 months from 1 August 2019 to 31 July 2022.

Major terms of the Lease Agreement are as follows:

Date	:	5 July 2019
Landlord	:	OCT Shanghai Land
Tenant	:	Shanghai Huahe
Location of the Properties	:	The Properties with a total gross floor area of 2,103.74 square metres are located at (i) No. 673, 677, 681 of Tianzhu Road, Jingan District, Shanghai City* (上海市靜安區天潼路673、677、681號); (ii) No. 112, 116, 120, 126 of Shanxi North Road* (山西北路112、116、120、126號); (iii) No. 16, 17, 18 of 108 Nong of Shanxi North Road* (山西北路108弄16、17、18號); (iv) Room 201 of No. 11 of 108 Nong of Shanxi North Road* (山西北路108弄11號201室)
Usage	:	Commercial
Lease terms	:	36 months, commencing 1 August 2019 to 31 July 2022
Security deposits	:	On the date of the Lease Agreement, the Tenant shall pay the Landlord RMB1,538,290 (equivalent to two months' rent) as security deposit, which shall be refundable (without interest), after the due observance and performance of all of the covenants of the Tenant under the Lease Agreement, at the end of the term of the lease.
Monthly rental	:	RMB769,145
Payment terms	:	The rent shall be payable every six months in advance totalling RMB4,614,870 on the 15th of January and the 15th of July during the lease term.

For example, for the first year of the lease term:

For the first six months of the tenancy (i.e. 1 August 2019 to 31 January 2020), RMB4,614,870 shall be payable in advance on 15 July 2019

For the next six months of the tenancy (i.e. 1 February 2020 to 31 July 2020) RMB4,614,870 shall be payable in advance on 15 January 2020

- Management fee** : The management fee (which is subject to adjustment by the respective property management company(ies) for the Properties, from time to time) for the Properties shall be borne by the Tenant.
- Utility fees** : All utilities fees (e.g. water, electricity, gas, heating, telecommunications, sanitary and other energy related fees) shall be borne by the Tenant
- Transfer and termination of tenancy** : The Tenant shall not transfer the tenancy or sub-let the Properties without the Landlord’s prior written approval.
- Upon the Tenant serving a one month’s prior written notice to the Landlord, and subject to the Landlord’s acceptance, the tenancy may be terminated before the end of the term of the tenancy.
- Option to renew** : The Tenant has the option to renew the tenancy and shall enter into a new lease agreement with the Landlord in accordance with the Landlord’s new leasing policy 90 days before the end of the term of the tenancy, otherwise the Landlord shall be entitled to lease the Properties to other parties.
- Other major terms and conditions** :
- (1) The Tenant shall comply with the rules and regulations of PRC and the rules and regulations set by the respective property management company(ies) of the Properties, in relation to advertisement.
 - (2) The Tenant shall arrange for third parties insurance during the term of the tenancy, the compensation amount of which shall not be under RMB2,000,000.
 - (3) Pursuant to the Lease Agreement, the Landlord retains all of the naming rights to the Properties.

ANNUAL CAP ON THE LEASE AGREEMENT

The annual cap (the “**Annual Cap**”) based on the annual rent payable by the Tenant to the Landlord under the Lease Agreement is RMB9,229,740.

The rent payable by the Tenant under the Lease Agreement was determined after arm’s length negotiation between the parties with reference to the monthly rental of those entered by third party tenants occupying surrounding properties with similar attributes as the Properties and the rental rate of other shops in the same area to be charged on other third party tenant by the Landlord in the future.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE LEASE AGREEMENT

The Group holds the Properties as long term investment for rental income and capital appreciation. The rental amount for the Lease Agreement was determined by the parties on arm's length basis. The terms of the Lease Agreement was determined based on market conditions and are comparable to those entered into by third party tenants occupying surrounding properties with similar attributes as the Properties.

The Directors (including the independent non-executive Directors) are of the view that:

- (i) the terms of the Lease Agreement are on normal commercial terms or better and are fair and reasonable;
- (ii) the Annual Cap is fair and reasonable; and
- (iii) the continuing connected transaction contemplated under the Lease Agreement is and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND OCT SHANGHAI LAND

The principal business activity of the Company is investment holding. The Group is principally engaged in the comprehensive development business (including the development and operation of tourism theme park, developed and sold residential properties, construction contract, development and management of properties, and property investment) and investment in the new urbanization industrial ecosphere business.

OCT Shanghai Land is a limited liability company established in the PRC, which is principally engaged in the development, operation, leasing, property management of real estate in the PRC.

INFORMATION ON SHANGHAI HUAHE

Shanghai Huahe is a joint venture company established in the PRC, which is owned by OCT Real Estate, a wholly-owned subsidiary of OCT Ltd., as to 50% and a company established in the PRC which is an independent third party of the Company (other than being a substantial shareholder of Shanghai Huahe) as to 50%. The principal business of Shanghai Huahe is property development.

Shanghai Huahe is undertaking the development and construction of premises for residential, offices and commercial use.

LISTING RULES IMPLICATIONS

Shanghai Huahe is a joint venture company established in the PRC, which is owned by OCT Real Estate, a wholly-owned subsidiary of OCT Ltd., as to 50%. OCT Ltd. owns 100% interest in OCT (HK), which in turn owns 100% equity interest in Pacific Climax. Therefore, Shanghai Huahe is a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the tenancy contemplated under the Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the rent payable under the Lease Agreement on an annual basis are more than 0.1% but less than 5%, the Lease Agreement is only subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, no Director is required to abstain from voting on the board resolutions in relation to the approval of the Lease Agreement.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Business Day(s)”	a day on which licensed banks in the PRC are open for business
“Company”	Overseas Chinese Town (Asia) Holdings Limited (華僑城(亞洲)控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Landlord”	OCT Shanghai Land
“Lease Agreement”	the lease agreement dated 5 July 2019 and entered into between OCT Shanghai Land and Shanghai Huahe in relation to the lease of the Properties

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules
“OCT (HK)”	Overseas Chinese Town (HK) Company Limited, a company incorporated in Hong Kong with limited liability and wholly owned by OCT Ltd.
“OCT Ltd.”	Shenzhen Overseas Chinese Town Company Limited (深圳華僑城股份有限公司), a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange
“OCT Real Estate”	Shenzhen Overseas Chinese Town Real Estate Company Limited (深圳華僑城房地產有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of OCT Ltd.
“OCT Shanghai Land”	Overseas Chinese Town (Shanghai) Land Company Limited (華僑城(上海)置地有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Properties”	(i) No. 673, 677, 681 of Tianzhu Road, Jingan District, Shanghai City* (上海市靜安區天潼路673、677、681號); (ii) No. 112, 116, 120, 126 of Shanxi North Road* (山西北路112、116、120、126號); (iii) No. 16, 17, 18 of 108 Nong of Shanxi North Road* (山西北路108弄16、17、18號); and (iv) Room 201 of No. 11 of 108 Nong of Shanxi North Road* (山西北路108弄11號201室), with a total gross floor area of 2,103.74 square metres
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Huahe”	Shanghai Huahe Real Estate Development Co., Ltd. (上海華合房地產開發有限公司), a joint venture company established in the PRC

“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant”	Shanghai Huahe
“%”	per cent

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail.

By the order of the Board
Overseas Chinese Town (Asia) Holdings Limited
He Haibin
Chairman

Hong Kong, 5 July 2019

As at the date of this announcement, the Board comprises seven Directors, namely: Mr. He Haibin, Ms. Xie Mei and Mr. Lin Kaihua as executive Directors; Mr. Zhang Jing as non-executive Director; Ms. Wong Wai Ling, Mr. Lam Sing Kwong Simon and Mr. Chu Wing Yiu, as independent non-executive Directors.