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## **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)**

### **CONNECTED TRANSACTION MANAGEMENT SERVICE AGREEMENT**

#### **MANAGEMENT SERVICE AGREEMENT**

The Board announces that on 8 November 2019, OCT Shanghai Land, an indirect non-wholly owned subsidiary of the Company, entered into the Management Service Agreement with Shanghai Huahe, pursuant to which OCT Shanghai Land will provide management services in respect of project development, design, construction management and cost control for the Project to Shanghai Huahe at a Service Fee in a sum not exceeding RMB15,840,000.

#### **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 Management Services contemplated under the Management Service Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) for the Service Fee contemplated under the Management Service Agreement alone and when aggregated with the service fees charged under the Management Agreement is more than 0.1% but less than 5%, the Management Service Agreement is only subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 21 December 2018 relating to a connected transaction of the Company contemplated under the Management Agreement.

## **MANAGEMENT SERVICE AGREEMENT**

Date : 8 November 2019

Parties : Shanghai Huahe; and  
OCT Shanghai Land

### **Major terms**

Pursuant to the Management Service Agreement, OCT Shanghai Land will provide management services in respect of project development, design, construction management and cost control for the Project to Shanghai Huahe. The Services to be provided pursuant to the Management Service Agreement include but not limited to:

- (a) Design and management: design management and planning, project design management and management of suppliers relating to the project design (“Stage 1”)
- (b) Contract management and costs control: provision of services including target costs assessment, dynamic costs monitoring, change management, settlement management (“Stage 2”)
- (c) Construction and safety management: construction quality management, services for lodging application for approval of construction (“Stage 3”)

### **Service Fee**

The Service Fee under the Management Service Agreement shall not exceed RMB15,840,000, which shall be paid by Shanghai Huahe to OCT Shanghai Land in the following manner:

- (1) a sum not exceeding RMB3,000,000 shall be paid upon completion and delivery of the works in Stage 1;
- (2) a sum not exceeding RMB4,840,000 shall be paid upon completion and delivery of the works in Stage 2; and
- (3) a sum not exceeding RMB8,000,000 shall be paid upon completion and delivery of the works in Stage 3.

The Service Fee was determined on an arm’s length negotiation between the parties based on the total investment amount of the Project and works to be conducted by OCT Shanghai Land in each stage of the Project contemplated by the Management Service Agreement (being 1.08% of the total investment amount) and with reference to (i) OCT Shanghai Land’s experience and expertise in management of real estate development, construction and operation, (ii) the scope of services to be provided under the Management Service Agreement, (iii) complexity of the Project, (iv) the scale and location of the Project, and (v) prevailing market rate in the PRC.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE MANAGEMENT SERVICE AGREEMENT**

By entering into the Management Service Agreement and the transactions thereunder, OCT Shanghai Land will leverage its experience and strengths in management of real estate development, construction and operation and gain reasonable income and returns.

The Directors (including the independent non-executive Directors) consider that the terms of the Management Service Agreement (including the service fees) are on normal commercial terms or better, and are fair and reasonable and the transactions under the Management Service Agreement are in the interest 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 another company which, save as being the shareholder of Shanghai Huahe, is an Independent Third Party, as to 50%. The principal business of Shanghai Huahe is property development.

Shanghai Huahe is undertaking the development and construction of the Project.

## **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 transaction contemplated under the Management Service Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) for the Service Fee contemplated under the Management Service Agreement alone and when aggregated with the service fees charged under the Management Agreement is more than 0.1% but less than 5%, the Management Service Agreement is only subject to the reporting, announcement and annual review 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 Management Service 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
“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 directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Agreement”	the project development, management and consultancy service agreement dated 21 December 2018 and entered into between OCT Shanghai Land and Shanghai Huahe
“Management Service Agreement”	the project development and construction management and consultancy agreement dated 8 November 2019 and entered into between OCT Shanghai Land and Shanghai Huahe
“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
“Project”	the construction and development project in respect of properties for residential, office and commercial use located in Shanghai
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	the services to be provided by OCT Shanghai Land to Shanghai Huahe under the Management Service Agreement
“Services Fee”	the service fee payable by Shanghai Huahe to OCT Shanghai Land pursuant to the Management Service Agreement
“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
“%”	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, 8 November 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.*