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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)

CONTINUING CONNECTED TRANSACTION PLANNING TECHNICAL SERVICES FRAMEWORK AGREEMENT

PLANNING TECHNICAL SERVICES FRAMEWORK AGREEMENT

The Board is pleased to announce that on 17 August 2020, Hefei OCT Industry, an indirect non-wholly owned subsidiary of the Company, has entered into the Planning Technical Services Framework Agreement with OCT IRI, pursuant to which OCT IRI will provide planning and project design technical services for the Hefei Airport Town Project to Hefei OCT Industry for the period from 17 August 2020 to 31 December 2022. The maximum amount of the Service Fees payable for the period from 17 August 2020 to 31 December 2022 shall not exceed RMB25,000,000, and the Annual Caps for the period from 17 August 2020 to 31 December 2020, the year ending 31 December 2021 and the year ending 31 December 2022 will be RMB9,000,000, RMB8,000,000 and RMB8,000,000, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Pacific Climax is a controlling shareholder of the Company holding approximately 70.94% of the total issued share capital of the Company. As Pacific Climax is an indirect wholly-owned subsidiary of OCT Ltd. and OCT Group is the holding company of OCT Ltd. with approximately 47.01% interest in it, OCT IRI, a company directly and wholly owned by OCT Group, is a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the transaction contemplated under the Planning Technical Services Framework Agreement constitutes a continuing 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 highest Annual Cap contemplated under the Planning Technical Services Framework Agreement is more than 0.1% but less than 5%, the Planning Technical Services Framework Agreement is only subject to the reporting, announcement and annual review requirements, but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 13 December 2019 and the circular of the Company dated 23 January 2020 relating to the acquisition of land use rights in the first phase of Hefei Airport International Town by Hefei OCT Industry.

PLANNING TECHNICAL SERVICES FRAMEWORK AGREEMENT

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The principal terms of the Planning Technical Services Framework Agreement are set out as follows:

Date: 17 August 2020

Parties: (i) Hefei OCT Industry, an indirect non-wholly owned subsidiary of the Company; and
(ii) OCT IRI

Scope of Services

The scope of Services to be provided by OCT IRI pursuant to the Planning Technical Services Framework Agreement primarily include:

- (a) to send team to the Hefei Airport Town Project site to provide long term on-site services for the purpose of enhancing the development of the Hefei Airport Town Project. Such on-site services include:
1. at the early stage of operation of the Hefei Airport Town Project, to assist Hefei OCT Industry in design assessment, as well as collecting, consolidating and following up with the opinions on the design assessment;
 2. in the mid-term of operation of the Hefei Airport Town Project, to assist Hefei OCT Industry in the design effect control of the construction site;
 3. at the stage of delivery of the Hefei Airport Town Project, to assist Hefei OCT Industry in completion inspection and acceptance, organising and preparing the as-built drawings and confirmation thereof; and
 4. to assist Hefei OCT Industry to complete the relevant design information and liaise with the relevant government departments of the PRC to further obtain land; and
- (b) to complete the design projects at the request of Hefei OCT Industry and provide the deliverables as recognised by Hefei OCT Industry.

Service Fees

The Service Fees payable by Hefei OCT Industry to OCT IRI comprise:

- (i) fixed consultation fees for the Services set out in item (a) above amounting to RMB500,000 per month payable by Hefei OCT Industry upon receiving the bill issued by OCT IRI (the “**Fixed Consultation Fees**”); and
- (ii) entrustment fees for individual design project(s) (“**Entrusted Design Project(s)**”) in relation to the Services set out in item (b) above (the “**Entrustment Fees**”). Hefei OCT Industry and OCT IRI will enter into separate individual agreement(s) setting out specific terms for each individual design project including but not limited to relevant Entrustment Fees and payment methods, and in any event such terms shall be on normal commercial terms or better and the Entrustment Fees shall not be higher than the quotation offered to the Group by Independent Third Parties in the PRC.

The Service Fees have been agreed after arm’s length negotiations between the parties after taking into account (i) OCT IRI’s experience and expertise in construction planning, project design and technology; (ii) the scope and nature of Services to be provided under the Planning Technical Services Framework Agreement; (iii) the nature, scale and location of the Hefei Airport Town Project; and (iv) fee quotation offered by Independent Third Parties in the PRC.

Annual Caps

The Annual Caps, being the maximum contractual sum payable by Hefei OCT Industry to OCT IRI pursuant to the Planning Technical Services Framework Agreement, are set out below:

- (1) From 17 August 2020 to 31 December 2020: RMB9,000,000 (the “**2020 Annual Cap**”);
- (2) From 1 January 2021 to 31 December 2021: RMB8,000,000 (the “**2021 Annual Cap**”); and
- (3) From 1 January 2022 to 31 December 2022: RMB8,000,000 (the “**2022 Annual Cap**”).

In determining the Annual Caps, the parties have taken into account (i) the Fixed Consultation Fees; and (ii) the estimated Entrustment Fees and the number of Entrusted Design Projects to be completed in each of the aforesaid periods based on the existing planned schedule of works of the Hefei Airport Town Project. It is initially estimated that the Entrustment Fees will be ranging from RMB500,000 to RMB1,500,000, depending on the complexity, nature and duration of the particular Entrusted Design Project.

The 2020 Annual Cap is higher than the 2021 Annual Cap and the 2022 Annual Cap as according to the existing planned schedule of works of the Hefei Airport Town Project, it is expected that more Entrusted Design Projects will be conducted at the early stage than that at the later stage, being the year ending 31 December 2021 and the year ending 31 December 2022.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PLANNING TECHNICAL SERVICES FRAMEWORK AGREEMENT

As OCT IRI is principally engaged in the provision of consultancy, planning, special studies and other services in relation to cultural industry, tourism industry, new urbanisation and other sectors, the Directors consider that OCT IRI has related professionals and successful cases and experience for various types of projects. Thus, it is in the interest of Hefei OCT Industry to engage OCT IRI to provide the Services under the Planning Technical Services Framework Agreement.

The Directors (including the independent non-executive Directors) consider that the terms of the Planning Technical Services Framework Agreement (including the Service Fees) are on normal commercial terms or better, and are fair and reasonable and the transactions contemplated under the Planning Technical Services Framework Agreement are in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND HEFEI OCT INDUSTRY

The principal business activity of the Company is investment holding. The Group is principally engaged in comprehensive development business (including the development and sale of residential properties, construction contract, property investment, and the development and operation of tourism theme park), equity investment and fund business, and finance lease business.

Hefei OCT Industry is a company established in the PRC which is held by OCT Ganghua and Huaxing Investment as to 51% and 49%, respectively and is a project company established for the development of Hefei Airport International Town. OCT Ganghua is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company, which is principally engaged in foreign investment. Huaxing Investment is a limited liability company established in the PRC, which is principally engaged in industrial investment and investment management.

INFORMATION ON OCT IRI

OCT IRI is a company established in the PRC and a wholly-owned subsidiary of OCT Group. OCT Group principally engages in tourism and related cultural industrial management, electronics manufacturing, real estate and hotel development. The actual controller of OCT Group is the State-owned Assets Supervision and Administrative Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會).

The principal business of OCT IRI is provision of services such as studies on special theme-based research, planning and design, overall planning of tourist attractions and information consultancy.

INTERNAL CONTROL POLICY FOR THE CONTINUING CONNECTED TRANSACTION

The risk management and compliance department, finance department and relevant senior management of the Company are responsible for monitoring connected transactions of the Company.

Before entering into individual agreement(s) for the Entrusted Design Project(s), the Group will obtain fee quotations of the specific design projects from Independent Third Parties to ensure that the Entrustment Fees to be charged by OCT IRI will not be higher than the quotation offered to the Group by Independent Third Parties.

The relevant department of the Company responsible for internal control will review the actual amount utilised in respect of the Annual Caps every six months. If it is expected that the value of any individual agreements, in aggregate, will exceed the Annual Caps, the Company will take steps in order to comply with the relevant requirement of the Listing Rules.

The relevant department of the Company responsible for internal control will review its internal control procedures annually, and compile and submit the annual internal control report to the Board for review and approval.

The independent non-executive Directors will conduct an annual review of the implementation of the continuing connected transactions in respect of the individual implementation agreements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Pacific Climax is a controlling shareholder of the Company holding approximately 70.94% of the total issued share capital of the Company. As Pacific Climax is an indirect wholly-owned subsidiary of OCT Ltd. and OCT Group is the holding company of OCT Ltd. with approximately 47.01% interest in it, OCT IRI, a company directly and wholly owned by OCT Group, is a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the transaction contemplated under the Planning Technical Services Framework Agreement constitutes a continuing 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 highest Annual Cap contemplated under the Planning Technical Services Framework Agreement is more than 0.1% but less than 5%, the Planning Technical Services Framework Agreement is only subject to the reporting, announcement and annual review requirements, but is exempt from the circular and independent shareholders' approval requirements 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 Planning Technical Services Framework Agreement.

DEFINITIONS

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

“Annual Caps”	the maximum contractual sum payable by Hefei OCT Industry to OCT IRI pursuant to the Planning Technical Services Framework Agreement for the period from 17 August 2020 to 31 December 2020 and each of the two years ending 31 December 2022
“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
“Hefei Airport International Town”	Hefei Airport International Town (合肥空港國際小鎮) located in Hefei Airport Economic Demonstration Zone in the PRC
“Hefei Airport Town Project”	the development project in respect of Hefei Airport International Town
“Hefei OCT Industry”	Hefei OCT Industry Development Co., Ltd. (合肥華僑城實業發展有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huaxing Investment”	Hefei Huaxing Konggang Investment Co., Ltd. (合肥華興空港投資有限公司), a company established in 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 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
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules
“OCT Ganghua”	Shenzhen OCT Ganghua Investment Holdings Co., Ltd. (深圳華僑城港華投資控股有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“OCT Group”	Overseas Chinese Town Company Limited (華僑城集團有限公司), a PRC state-owned company established in the PRC, and the holding company of OCT Ltd.
“OCT (HK)”	Overseas Chinese Town (HK) Company Limited, a company incorporated in Hong Kong with limited liability and wholly owned by OCT Ltd.

“OCT IRI”	Shenzhen OCT Innovation and Research Institute Co., Ltd. (深圳華僑城創新研究院有限公司), a company established in the PRC with limited liability
“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
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company
“Planning Technical Services Framework Agreement”	the long-term planning technical services framework agreement dated 17 August 2020 and entered into between Hefei OCT Industry and OCT IRI in respect of provision of the planning and project design technical services for Hefei Airport Town Project
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	the services to be provided by OCT IRI to Hefei OCT Industry under the Planning Technical Services Framework Agreement
“Service Fees”	the service fees payable by Hefei OCT Industry to OCT IRI pursuant to the Planning Technical Services Framework Agreement
“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
Zhang Dafan
Chairman

Hong Kong, 17 August 2020

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