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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 DESIGN AND PLANNING AGREEMENTS**

#### **DESIGN AND PLANNING AGREEMENT**

The Board is pleased to announce that on 21 September 2020, Hefei OCT Huanchao, an indirect non wholly-owned subsidiary of the Company, has entered into the Design and Planning Agreements (consisting of Design and Planning Agreement I and Design and Planning Agreement II) with OCT IRI, pursuant to which OCT IRI will provide design and planning services for phase I and phase II of the Waterpark Project at the aggregate Service Fees of RMB5,852,600.00 (including tax).

#### **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 therefore a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the transactions contemplated under the Design and Planning Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) in respect of the Design and Planning Agreements is more than 0.1% but less than 5%, the Design and Planning Agreements are only subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcements of the Company dated 15 May 2019 and 3 June 2019, and the circular of the Company dated 25 June 2019 relating to the acquisition and development of the land use rights in Chaohu, Hefei, Anhui Province of the PRC.

## DESIGN AND PLANNING AGREEMENTS

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The principal terms of the Design and Planning Agreements are set out as follows:

### Design and Planning Agreement I

Date: 21 September 2020

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

### Scope of Services

Pursuant to the Design and Planning Agreement I, OCT IRI will: (i) prepare the overall conceptual planning proposal and master plan of phase I of the Waterpark Project (the “**First Service**”); (ii) prepare the design proposal of phase I of the Waterpark Project (the “**Second Service**”); and (iii) enhance the design proposal in relation to phase I of the Waterpark Project (the “**Third Service**”) for Hefei OCT Huanchao.

The Parties estimate that the duration for the provision of the services will be approximately 41 weeks.

### Service Fees I and Payment Manner

The Service Fees I consists of service fees for (i) the First Service in an amount of RMB646,400; (ii) the Second Service in an amount of RMB1,705,600; and (iii) the Third Service in an amount of RMB2,164,600. The Service Fees I will be paid by Hefei OCT Huanchao to OCT IRI in the following manner:

Milestone event	Payment
Within ten working days upon signing of the Design and Planning Agreement I	RMB451,660 (10% of the Service Fees I)
Within ten working days after notifying Hefei OCT Huanchao the completion of the provision of the First Service, and the result of which is confirmed by Hefei OCT Huanchao in writing	RMB1,129,150 (25% of the Service Fees I)
Within ten working days after notifying Hefei OCT Huanchao the completion of the provision of the Second Service, and the result of which is confirmed by Hefei OCT Huanchao in writing	RMB1,129,150 (25% of the Service Fees I)

<b>Milestone event</b>	<b>Payment</b>
Within ten working days after notifying Hefei OCT Huanchao the completion of the provision of the Third Service, and the result of which is inspected and approved by Hefei OCT Huanchao, and is also confirmed by Hefei OCT Huanchao in writing	RMB1,129,150 (25% of the Service Fees I)
Within ten working days after signing of the relevant equipment agreements	RMB451,660 (10% of the Service Fees I)
Within ten working days after completion of the phase I of the Waterpark Project	RMB225,830 (5% of the Service Fees I)

### **Design and Planning Agreement II**

Date: 21 September 2020

Parties: (i) Hefei OCT Huanchao; and  
(ii) OCT IRI

### **Scope of Services**

Pursuant to the Design and Planning Agreement II, OCT IRI will prepare the overall conceptual planning proposal and master plan of phase II of the Waterpark Project to Hefei OCT Huanchao. The Parties estimate that the duration for the provision of such service will be approximately 18 weeks.

### **Service Fees II and Payment Manner**

The Service Fees II for the service provided under the Design and Planning Agreement II is RMB1,336,000 and will be paid by Hefei OCT Huanchao to OCT IRI in the following manner:

<b>Milestone event</b>	<b>Payment</b>
Within ten working days upon signing of the Design and Planning Agreement II	RMB267,200 (20% of the Service Fees II)
Within ten working days after notifying Hefei OCT Huanchao submission of the final overall conceptual planning proposal of phase II of the Waterpark Project	RMB534,400 (40% of the Service Fees II)
Within ten working days after submission of the final master plan of phase II of the Waterpark Project, and the result of which is inspected and approved by Hefei OCT Huanchao	RMB534,400 (40% of the Service Fees II)

The Service Fees (including both Service Fees I and Service Fees II) were determined on an arm's length negotiation between the parties after taking into account of (i) the relevant experience and expertise of OCT IRI in design and management; (ii) the scope of Services to be provided by OCT IRI; (iii) the complexity of the Waterpark Project; (iv) the scale and location of the Waterpark Project; (v) the service fees charged by OCT IRI on similar transactions with other subsidiaries of OCT Group; and (vi) the market price for provision of similar design and planning services.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE DESIGN AND PLANNING AGREEMENTS**

As OCT IRI is principally engaged in the provision of consultancy, planning, special studies and other services in relation to sectors such as cultural industry, tourism industry and new urbanisation, the Directors consider that OCT IRI has related professionals and successful cases and experiences for various types of projects. Therefore, it is in the interest of Hefei OCT Huanchao to engage OCT IRI to provide the design and planning services for phase I and phase II of the Waterpark Project under the Design and Planning Agreements.

The Directors (including the independent non-executive Directors) consider that the terms of the Design and Planning Agreements (including the Service Fees) are on normal commercial terms or better, and are fair and reasonable, and the transactions contemplated under the Design and Planning Agreements 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 HUANCHAO**

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 Huanchao is a sino-foreign joint venture with limited liability established in the PRC for the development project of the Hefei Chaohu Bantang Hot Spring Town. It is held by OCT Gangya (a wholly-owned subsidiary of the Company) and Hefei Xingtai as to 51% and 49%, respectively. As at the date of this announcement, the ultimate beneficial owner of Hefei Xingtai is the State-Owned Assets Supervision and Administration Commission of the Hefei Municipal People's Government (合肥市人民政府國有資產監督管理委員會).

## **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 special theme-based research, planning and design, overall planning of tourist attractions and information consultancy.

## **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 therefore a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the transactions contemplated under the Design and Planning Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) in respect of the Design and Planning Agreements is more than 0.1% but less than 5%, the Design and Planning Agreements are only subject to the reporting and announcement 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 Design and Planning Agreements.

## 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
“Design and Planning Agreement I”	the design and planning agreement dated 21 September 2020 and entered into between Hefei OCT Huanchao and OCT IRI in respect of provision of the design and planning services for phase I of the Waterpark Project
“Design and Planning Agreement II”	the design and planning agreement dated 21 September 2020 and entered into between Hefei OCT Huanchao and OCT IRI in respect of provision of the design and planning services for phase II of the Waterpark Project
“Design and Planning Agreements”	the Design and Planning Agreement I and the Design and Planning Agreement II
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement
“Hefei Chaohu Bantang Hot Spring Town”	Hefei Chaohu Bantang Hot Spring Town (合肥巢湖半湯溫泉小鎮), situated in the northwest of the intersection of Jinchao Avenue and Beiwaihuan Road and south of Juzhangshan Road in the Chaohu Economic Development Zone, Heifei, Anhui Province of the PRC

“Hefei OCT Huanchao”	Hefei OCT Huanchao Cultural Tourism Real Estate Development Co., Ltd (合肥華僑城環巢文旅置業發展有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“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
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules
“OCT Gangya”	Shenzhen OCT Gangya Holdings Development Co., Ltd. (深圳華僑城港亞控股發展有限公司), a company established in the PRC and is 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 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
“Parties”	Hefei OCT Huanchao and OCT IRI
“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
“Service Fees I”	the service fees payable by Hefei OCT Huanchao to OCT IRI pursuant to the Design and Planning Agreement I

“Service Fees II”	the service fees payable by Hefei OCT Huanchao to OCT IRI pursuant to the Design and Planning Agreement II
“Service Fees”	the Service Fees I and the Service Fees II
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholders of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Waterpark Project”	the development project, consists of two phases (phase I and phase II), of Hefei Chaohu Bangtang Hot Spring Resort Waterpark (合肥巢湖半湯溫泉小鎮水公園), located in the Hefei Chaohu Bantang Hot Spring Town
“%”	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, 21 September 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.*