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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
PROPERTY SERVICES FRAMEWORK AGREEMENT

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The Board is pleased to announce that on 7 July 2021, Hefei OCT Industry, an indirect non-wholly owned subsidiary of the Company, has entered into the Property Services Framework Agreement with OCT Property (Hefei), in relation to the provision of property services by OCT Property (Hefei) to Hefei OCT Industry for the Hefei Airport International Town Project and the office areas of Hefei OCT Industry, for a term up to 31 December 2022.

The Management Services Fees payable by Hefei OCT Industry to OCT Property (Hefei) under the Property Services Framework Agreement shall not exceed RMB23,500,000 for the year ending 31 December 2021, and shall not exceed RMB27,500,000 for the year ending 31 December 2022, respectively.

LISTING RULES IMPLICATIONS

OCT Property (Hefei) is an indirect wholly-owned subsidiary of OCT Ltd. OCT Ltd. owns 100% equity interest in OCT (HK), which in turn owns 100% equity interest in Pacific Climax, which is a controlling shareholder of the Company holding approximately 70.94% of the total issued share capital of the Company as at the date of this announcement. Therefore, OCT Property (Hefei) is a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the transaction contemplated under the Property 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 Caps contemplated under the Property Services Framework Agreement is more than 0.1% but less than 5%, the Property Services Framework Agreement is 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.

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

Date

7 July 2021

Parties

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

Scope of Services

Pursuant to the Property Services Framework Agreement, OCT Property (Hefei) will provide the following Services in relation to the properties of the Hefei Airport International Town Project and the office areas of Hefei OCT Industry:

- (a) maintenance of the common parts of the properties;
- (b) daily operation and maintenance of the public facilities and equipment;
- (c) cleaning services of the public areas of the properties;
- (d) greening and maintenance services of the public areas;
- (e) maintenance of the public order;
- (f) management of the prohibitive act of the properties;

- (g) management of other public affairs related to the properties;
- (h) daily management services of the sales area and delivery area; and
- (i) provision of other property management services as requested by the owners of properties.

Management Services Fees

Hefei OCT Industry and OCT Property (Hefei) will enter into separate individual agreement(s) setting out specific terms for the Services, including the payment arrangement of the Management Services Fees. The Management Services Fees will be agreed after arm's length negotiations between the parties and will be determined with reference to, among others, (i) the areas under management; and (ii) the manpower required by OCT Property (Hefei) in relation to the provision of the Services and labour costs (including salaries and benefits for security guards, cleaning staff, customer service, engineering and other staff, with expected annual salary of each staff ranging from approximately RMB50,000 to RMB450,000), (iii) management services remuneration fee (being 10% of the direct cost), (iv) ancillary fees to be incurred upon delivery of the Hefei Airport International Town Project (for examples, initial (after renovation) cleaning fee, organization fee, fee for pre-project-acceptance intervention, vacant property fee, etc.). The Management Services Fees shall not be higher than the quotation offered to the Group by Independent Third Parties. The annual labor costs standard will increase on the basis of 2021.

Annual Caps

The Annual Caps, being the maximum contractual sum payable by Hefei OCT Industry to OCT Property (Hefei) pursuant to the Property Services Framework Agreement during its term is RMB51,000,000, being (i) from the date of the Property Services Framework Agreement to 31 December 2021: RMB23,500,000; (ii) from 1 January 2022 to 31 December 2022: RMB27,500,000.

In determining the Annual Caps, the parties have taken into account of (i) the areas expected to be under management, which is around 880,000 sq. m during the term of the Property Services Framework Agreement; (ii) the manpower required by OCT Property (Hefei) in relation to the provision of such property management services and labour costs (including salaries and benefits for security guards, cleaning staff, customer service, engineering and other staff) in this regard; (iii) the management services remuneration fee, (iv) ancillary fees to be incurred upon delivery of new projects, and (v) the market rate for provision of property management services.

The Hefei Airport International Town Project locates in Hefei Xinqiao Technology Innovation Demonstration Zone in the PRC. It is planned to develop commercial offices, ecological green land, ancillary living facilities and integrated service centres. It is estimated that delivery of part of the residential area of the Hefei Airport International Town Project will commence in 2021. Accordingly, it is expected that a substantial portion of the ancillary fees associated with delivery of the projects will be incurred in 2021.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE PROPERTY SERVICES FRAMEWORK AGREEMENT

The Company has been participating in Phases 1 and 2 of the Hefei Airport International Town Project in Hefei, the PRC. Please also refer to the announcement of the Company dated 17 June 2021, and the circular of the Company dated 23 January 2020 for further information about the Hefei Airport International Town Project. As development of the Hefei Airport International Town Project progresses, and delivery of part of Phase 1 of the Hefei Airport International Town Project will commence this year, the Group has need for property management services in particular, relating to Phase 1 of the Hefei Airport International Town Project.

As OCT Property (Hefei) is principally engaged in property management in Hefei, the PRC and thus has the necessary expertise, the Directors consider that it is in the interest of Hefei OCT Industry to engage OCT Property (Hefei) to provide property management services under the Property Services Framework Agreement.

As such, the Directors (including the independent non-executive Directors) consider that the terms of the Property Services Framework Agreement (including the Annual Caps and the Management Services Fees) are on normal commercial terms or better, and are fair and reasonable and the transaction under the Property Services Framework Agreement is 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, equity investment and fund management. Equity investment and fund management involve direct equity investment and private equity fund investment in the primary market. Comprehensive development involves development and sale of residential properties, development and management of commercial properties, and development and operation of tourism projects.

Hefei OCT Industry was established for the development of the Hefei Airport International Town, and is held as to 51% by an indirect wholly-owned subsidiary of the Company, and as to 49% by Huaxing Investment (whose ultimate beneficial owner is the State-owned Asset Supervision and Administration Commission of Hefei Municipal People's Government as of the date of this announcement).

INFORMATION ON OCT PROPERTY (HEFEI)

OCT Property (Hefei) is a company established in the PRC and a wholly-owned subsidiary of OCT Ltd., a company listed on the Shenzhen Stock Exchange and is principally engaged in cultural tourism and real estate businesses. The principal business of OCT Property (Hefei) is property management.

INTERNAL CONTROL POLICY FOR THE CONTINUING CONNECTED TRANSACTION

The finance department and relevant senior management of the Company are responsible for monitoring connected transactions of the Company. Before entering into separate individual agreement(s), the Group will obtain a fee quotation of the Services from Independent Third Parties to ensure that the Management Services Fees to be charged by OCT Property (Hefei) 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

OCT Property (Hefei) is an indirect wholly-owned subsidiary of OCT Ltd. OCT Ltd. owns 100% equity interest in OCT (HK), which in turn owns 100% equity interest in Pacific Climax, which is a controlling shareholder of the Company holding approximately 70.94% of the total issued share capital of the Company as at the date of this announcement. Therefore, OCT Property (Hefei) is a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the transaction contemplated under the Property 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 Caps contemplated under the Property Services Framework Agreement is more than 0.1% but less than 5%, the Property Services Framework Agreement is 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 Property 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 Property (Hefei) pursuant to the Property Services Framework Agreement in a year during its term
“Board”	the board of directors of the Company
“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(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement
“Hefei OCT Industry”	Hefei OCT Industry Development Co., Ltd. (合肥華僑城實業發展有限公司), an indirect non-wholly owned subsidiary of the Company
“Hefei Airport International Town Project”	the development project in Hefei Airport International Town (合肥空港國際小鎮) located in Hefei Xinqiao Technology Innovation Demonstration Zone in the PRC. Further information of Hefei Airport International Town have been set out in the circular of the Company dated 23 January 2020 and the announcement of the Company dated 17 June 2021, respectively
“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
“Huaxing Investment”	合肥華興空港投資有限公司 (Hefei Huaxing Konggang Investment Co., Ltd.), a company established in the PRC

“Independent Third Party(ies)”	parties independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Services Fees”	the management services fees payable by Hefei OCT Industry to OCT Property Industry (Hefei) pursuant to the Property Services Framework Agreement
“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 Property (Hefei)”	Hefei branch office (合肥分公司) of OCT Property (Group) Co., Ltd. (華僑城物業(集團)有限公司). OCT Property (Group) Co., Ltd. is a company established in the PRC and an indirect wholly-owned subsidiary of 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
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company
“Property Services Framework Agreement”	the long-term property service framework agreement dated 7 July 2021 and entered into between Hefei OCT Industry and OCT Property (Hefei) in respect of provision of the property services for the Hefei Airport International Town Project and the office areas of Hefei OCT Industry
“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 Property (Hefei) to Hefei OCT Industry under the Property Services Framework Agreement

“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
“%”	per cent.

* *For identification only, 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, 7 July 2021

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; and Ms. Wong Wai Ling, Mr. Lam Sing Kwong Simon and Mr. Chu Wing Yiu as independent non-executive Directors.