

*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.*

*This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



## **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)**

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING**

**Placing Agent**



**招商證券(香港)有限公司**

CHINA MERCHANTS SECURITIES (HK) CO., LTD.

#### **THE PLACING AND SUBSCRIPTION AGREEMENT**

On 12 November 2009, Pacific Climax, which held approximately 67.86% of the existing issued share capital of the Company as at the date of this announcement, entered into the Placing and Subscription Agreement with the Company and the Placing Agent, pursuant to which (i) Pacific Climax has agreed to place and the Placing Agent has agreed to procure, on a best-effort basis, the placing of the Placing Shares, being 57,000,000 Shares, to the Places at the Placing Price of HK\$2.80 per Placing Share; and (ii) subject to fulfillment of the conditions set out in the paragraph headed “Conditions of the Subscription” below, Pacific Climax has agreed to subscribe for and the Company has agreed to allot and issue the Subscription Shares, which are equal to the number of the Placing Shares, at the Subscription Price of HK\$2.80 per Subscription Share, which is equivalent to the Placing Price.

Both the Placing Shares and the Subscription Shares represent (i) 19.67% of the issued share capital of the Company as at the date of the Placing and Subscription Agreement; (ii) 19.67% of the issued share capital of the Company immediately after the completion of the Placing but before the completion of the Subscription; and (iii) approximately 16.44% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued under the general mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders by a resolution passed at the annual general meeting of the Company held on 14 May 2009.

The net proceeds of the Subscription is expected to be approximately HK\$155,000,000. The Company intends to use all the net proceeds as general working capital of the Group.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **RESUMPTION OF TRADING**

Trading of the issued Shares has been suspended with effect from 2:30 p.m. on 12 November 2009 pending the release of this announcement. Trading of the issued Shares will resume at 9:30 a.m. on 13 November 2009.

## **THE PLACING AND SUBSCRIPTION AGREEMENT**

### **1. The Placing and Subscription Agreement**

On 12 November 2009, Pacific Climax, the Company and the Placing Agent has entered into the Placing and Subscription Agreement, pursuant to which, the Placing Agent has agreed with Pacific Climax to place 57,000,000 existing Shares at the Placing Price on a best-effort basis. On the second Business Day after the conditions of the Subscription have been fulfilled, the Company will allot and issue to Pacific Climax the Subscription Shares, which is equal to the number of the Placing Shares that Pacific Climax placed under the Placing, at the Subscription Price. Details of the Placing and Subscription Agreement are set out below.

#### ***The Placing***

##### ***Vendor***

Pacific Climax, a company incorporated in the British Virgin Islands with limited liability, is a substantial Shareholder. As at the date of the Placing and Subscription Agreement, it held 196,620,000 Shares, representing approximately 67.86% of the existing issued share capital of the Company.

### *Placing Agent*

Each of the Placing Agent, China Merchants Securities (HK) Co., Limited, and its ultimate beneficial owner(s) is not a connected person (as defined in the Listing Rules) of and is independent of, and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules). The Placing Agent will receive a placing commission of 2.50% on the gross proceeds of the actual number of Placing Shares placed pursuant to the Placing, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The placing commission was determined by reference to the range of market norms for commissions for this type of transaction. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable.

### *Placees*

The Placing Shares will be placed on a best-effort basis to not less than six Placees, which will be institutional, corporate and/or individual investors. The Placing Agent will use its best endeavor to ensure that the Placees and their respective ultimate beneficial owners will be third parties independent of the Company or any of its subsidiaries or any director(s), substantial shareholder(s) or chief executive (as defined in the Listing Rules) of the Company or any of its subsidiaries or any of their associates (as defined in the Listing Rules).

### *Number of the Placing Shares*

Pursuant to the Placing and Subscription Agreement, the number of the Placing Shares shall be 57,000,000 existing Shares currently held by Pacific Climax. The Placing Shares represent (i) 19.67% of the total issued share capital of the Company as at the date of the Placing and Subscription Agreement; (ii) 19.67% of the total issued share capital of the Company immediately after completion of the Placing but before completion of the Subscription; and (iii) approximately 16.44% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

### *Placing Price*

The Placing Price of HK\$2.80 represents:

- (i) a discount of approximately 17.65% to the closing price of HK\$3.40 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 13.31% to the average closing price of approximately HK\$3.23 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days including the Last Trading Day;

- (iii) a discount of approximately 13.04% to the average closing price of approximately HK\$3.22 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days including the Last Trading Day; and
- (iv) a discount of approximately 12.23% to the average closing price of approximately HK\$3.19 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days including the Last Trading Day.

The Placing Price was determined with reference to the average closing price per Share for the last 5 consecutive trading days of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) considered that the Placing and Subscription Agreement are entered into on normal commercial terms following arm's length negotiations between the Company, Pacific Climax and the Placing Agent and are in the interest of the Company and its Shareholders as a whole, and that the Placing Price are fair and reasonable.

#### *Basis of the Placing*

Pursuant to the Placing and Subscription Agreement, the Placing Agent will place the Placing Shares on a best-effort basis.

#### *Rights of the Placing Shares*

The Placing Shares will be sold by Pacific Climax free and clear from all liens, charges, encumbrances, claims, options and all third party rights and together with all rights attaching thereto as at the date of the Placing and Subscription Agreement, including the right to receive all dividends or other distributions hereafter declared, made or paid on the Placing Shares at any time on or after the Placing and Subscription Agreement.

#### *Completion of the Placing*

The Placing is unconditional. Completion of the Placing will take place before 4:00 p.m. on the third Business Day immediately after the date of the Placing and Subscription Agreement, or if later, the date of resumption in the Shares after publication of this announcement or such other time as Pacific Climax and the Placing Agent shall agree.

#### ***The Subscription***

##### *Issuer*

The Company.

### *Subscriber*

Pacific Climax.

### *Number of the Subscription Shares*

The number of Subscription Shares shall be equivalent to the number of Placing Shares under the Placing, which is 57,000,000 new Shares, representing (i) 19.67% of the total issued share capital of the Company as at the date of the Placing and Subscription Agreement; (ii) 19.67% of the total issued share capital of the Company immediately after completion of the Placing but before completion of the Subscription; and (iii) approximately 16.44% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

### *Subscription Price*

HK\$2.80 per Subscription Share, which is equivalent to the Placing Price.

### *Mandate to issue the Subscription Shares*

The Subscription Shares will be allotted and issued under the general mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders by a resolution passed at the annual general meeting of the Company held on 14 May 2009. Under the said general mandate, the Company is authorized to allot, issue or otherwise deal with up to 57,608,000 new Shares (representing 20% of the issued share capital of the Company as at the date of the annual general meeting). As at the date of this announcement, no Shares have been issued by the Company under the said general mandate since 14 May 2009.

### *Ranking of the Subscription Shares*

The Subscription Shares, when fully paid and issued, will rank pari passu in all respects among themselves and with all other Shares in issue as at the date of completion of the Subscription.

### *Conditions of the Subscription*

The Subscription is conditional upon the occurrence of the following by not later than 24 November 2009 (or such later date as may be agreed between Pacific Climax and the Company):

- (a) completion of the Placing; and
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of, and permission to deal in all of the Subscription Shares.

In the event of the conditions above not being fulfilled by 24 November 2009 (or such later date as may be agreed between Pacific Climax and the Company), the obligations and liabilities of Pacific Climax and the Company under the Subscription shall be null and void and Pacific Climax and the Company shall be released from all rights and obligations pursuant to the Subscription.

#### *Completion of the Subscription*

Completion of the Subscription will take place on the second Business Day following the fulfillment of all the conditions of the Subscription. The Subscription constitutes a connected transaction under the Listing Rules but it falls within the exemption under Rule 14A.31(3)(d) of the Listing Rules if the Subscription is completed within 14 days from the date of the Placing and Subscription Agreement (i.e. 25 November 2009). In the event that the Subscription is not completed within 14 days from the date of the Placing and Subscription Agreement, and Pacific Climax and the Company agree to extend the long stop date, the Subscription will not fall within the exemption under Rule 14A.31(3)(d) of the Listing Rules and shall be subject to the approval of independent shareholders of the Company and the Company will comply with the relevant connected transaction requirements of Chapter 14A of the Listing Rules.

#### *Application for listing*

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **2. Reasons for the Placing and the Subscription and use of the net proceeds of the Subscription**

The Group is principally engaged in the manufacture of quality paper-based packaging containers and materials, including corrugated paperboard and printed cartons for customers.

In view of the current market, the Directors (including the independent non-executive Directors) considered that the Placing and the Subscription represent an ideal opportunity for the Company to raise additional capital for its future business development, to enhance its capital base and broaden its shareholders' base. The gross proceeds of the Subscription is expected to be HK\$159,600,000, and the net proceeds of the Subscription is expected to be approximately HK\$155,000,000. The Company intends to use such net proceeds as general working capital of the Group. The net proceeds raised per Placing Share is approximately HK\$2.72.

The Directors (including the independent non-executive Directors) considered that the Placing and Subscription Agreement are entered into on normal commercial terms following arm's length negotiations between the Company, Pacific Climax and the Placing Agent, and that the terms of the Placing and Subscription Agreement are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

### 3. Fund raising activity during the preceding 12 months from the date of this announcement

The Company had not conducted any fund raising exercise during the past twelve months before the date of this announcement.

#### *Changes in the shareholding interests of the Company*

The shareholding interests of the Company as at (i) the date of the Placing and Subscription Agreement; (ii) immediately after the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription are as follows:

Shareholders	Existing		Immediately after the		Immediately after	
	shareholding		Placing but before		completion of the	
	<i>approximately</i>		<i>completion of</i>		<i>Placing and</i>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Pacific Climax Limited ("Pacific Climax")	196,620,000	67.86	139,620,000	48.19	196,620,000	56.70
Polyfairz Group Limited	15,630,000	5.39	15,630,000	5.39	15,630,000	4.51
<b>Directors</b>						
Ni Zheng	600,000	0.21	600,000	0.21	600,000	0.17
Zhou Guangneng	510,000	0.18	510,000	0.18	510,000	0.15
<b>Public Shareholders</b>						
The Placees	–	–	57,000,000	19.67	57,000,000	16.44
Others	76,390,000	26.36	76,390,000	26.36	76,390,000	22.03
<b>Total</b>	<u>289,750,000</u>	<u>100.00</u>	<u>289,750,000</u>	<u>100.00</u>	<u>346,750,000</u>	<u>100.00</u>

No placee will become a substantial shareholder of the Company as a result of the Placing.

### RESUMPTION OF TRADING

Trading of the issued Shares has been suspended with effect from 2:30 p.m. on 12 November 2009 pending the release of this announcement. Trading of the issued Shares will resume at 9:30 a.m. on 13 November 2009.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong are open for business
“Company”	Overseas Chinese Town (Asia) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	12 November 2009, being the date of the Placing and Subscription Agreement and the date on which the terms of the Placing and the Subscription were fixed
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, is the controlling Shareholder which held 196,620,000 Shares, representing approximately 67.86% of the existing issued share capital of the Company as at the date of the Placing and Subscription Agreement
“Placees”	placees procured by the Placing Agent or its sub-placing agent(s), all of which are not connected persons (as defined in the Listing Rules) of and are independent of, and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)

“Placing”	the placing of the Placing Shares pursuant to the Placing and Subscription Agreement
“Placing Agent”	China Merchants Securities (HK) Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing and Subscription Agreement”	the placing and subscription agreement entered into on 12 November 2009 by the Company, Pacific Climax and the Placing Agent in relation to the Placing and the Subscription
“Placing Price”	HK\$2.80 per Placing Share
“Placing Shares”	57,000,000 existing Shares owned by Pacific Climax as at the date of the Placing and Subscription Agreement
“PRC”	the People’s Republic of China
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by Pacific Climax pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$2.80 per Subscription Share
“Subscription Shares”	57,000,000 new Shares to be subscribed by Pacific Climax under the Placing and Subscription Agreement, such number of the Subscription Shares which is equivalent to the Placing Shares

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

By order of the Board  
**Overseas Chinese Town (Asia) Holdings Limited**  
**Hou Songrong**  
*Chairman*

Hong Kong, 12 November 2009

*As at the date of this announcement, the Board comprises eight Directors, namely: Mr. Hou Songrong, Mr. Ni Zheng, Ms. Xie Mei and Mr. Zhou Guangneng as executive Directors; Mr. Zheng Fan as non-executive Director; Ms. Wong Wai Ling, Mr. Xu Jian and Mr. Lam Sing Kwong Simon as independent non-executive Directors.*