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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 TRANSACTIONS
SALE OF CARTONS

SALE OF CARTONS

Reference is made to the Announcement. As mentioned in the Announcement, the Group entered into, *inter alia*, the Existing Cartons Sale and Purchase Agreement on 31 December 2010. Pursuant to the Existing Cartons Sale and Purchase Agreement, the Group has agreed to sell cartons to OCT Group and its associates for a term of three years with effect from 1 January 2011 and ending on 31 December 2013. The maximum amount receivable by the Group from OCT Group and its associates under the Existing Cartons Sale and Purchase Agreement for each of three years ending 31 December 2011, 2012 and 2013 will not exceed the annual limits of RMB5,000,000, RMB8,000,000 and RMB8,000,000, respectively. The transactions contemplated under the Existing Cartons Sale and Purchase Agreement constitute continuing connected transactions of the Company and subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

At the time of signing of the Existing Cartons Sale and Purchase Agreement, Konka Group was directly owned by OCT Group as to approximately 19% of its then total issued share capital and was not an associate of OCT Group. As from 18 January 2011, OCT Group has gained control of majority of the board of Konka Group after the appointment of its fourth director in the board of Konka Group, hence Konka Group has become an associate of OCT Group and the transactions between Konka Group and the Group contemplated under the New Cartons Framework Agreement have become continuing connected transactions under the Listing Rules. Having considered the potential demand of cartons by Konka Group, the Board has resolved to increase the annual caps for the supply of cartons to OCT Group and its associates including but not limited to Konka Group.

The Board announces that, on 27 January 2011, the Group has entered into the New Cartons Framework Agreement with OCT Group, pursuant to which the Group has conditionally agreed to sell cartons to OCT Group and its associates for a term of three years with effect from 1 January 2011 and ending on 31 December 2013. The annual caps under the New Cartons Framework Agreement for each of three years ending 31 December 2011, 2012 and 2013 will not exceed the annual caps of RMB120 million, RMB133 million and RMB143 million, respectively. It was further agreed between the parties that the Existing Cartons Sale and Purchase Agreement will be automatically terminated upon the New Cartons Framework Agreement has obtained the independent Shareholders' approval in accordance with Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

OCT Group is the holding company of OCT Ltd. and holds approximately 57% interests in OCT Ltd. as at the date of this announcement. OCT Ltd. owns 100% equity interest in OCT (HK), which in turn owns 100% equity interest in Pacific Climax, which is the controlling shareholder of the Company. Therefore, each of OCT Group and its associates is a connected person to the Company within the meaning of the Listing Rules, and the transactions contemplated under the New Cartons Framework Agreement constitute continuing connected transactions of the Company. Given that each of the applicable Percentage Ratios of the transactions contemplated under the New Cartons Framework Agreement, on a stand-alone and annual basis, is more than 5% and the annual consideration is over HK$10,000,000, the New Cartons Framework Agreement and the annual caps set out thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Save and except Pacific Climax and its associates, who hold 288,420,000 shares of the Company as at the date of this announcement, are required to and will abstain from voting on the resolution(s) in respect of the New Cartons Framework Agreement and the related annual caps, no other Shareholders are required to abstain from voting on the said resolutions(s) at the EGM.

A circular containing, among other things, details of the New Cartons Framework Agreement, the recommendation from the independent board committee, the advice of the independent financial adviser and a notice to convene the EGM, will be despatched to the Shareholders on or before 21 February 2011.

1. INTRODUCTION

Reference is made to the Announcement. As mentioned in the Announcement, the Group entered into, *inter alia*, the Existing Cartons Sale and Purchase Agreement on 31 December 2010. Pursuant to the Existing Cartons Sale and Purchase Agreement, the Group has agreed to sell cartons to OCT Group and its associates for a term of three years with effect from 1 January 2011 and ending on 31 December 2013. The maximum amount receivable by the Group from OCT Group and its associates under the Existing Cartons Sale and Purchase Agreement for each of three years ending 31 December 2011, 2012 and 2013 will not exceed the annual limits of RMB5,000,000, RMB8,000,000 and RMB8,000,000, respectively. The transactions contemplated under the Existing Cartons Sale and Purchase Agreement constitute continuing connected transactions of the Company and subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

At the time of signing of the Existing Cartons Sale and Purchase Agreement, Konka Group was directly owned by OCT Group as to approximately 19% of its then total issued share capital and was not an associate of OCT Group. As from 18 January 2011, OCT Group has gained control of majority of the board of Konka Group after the appointment of its fourth director in the board of Konka Group, hence Konka Group has become an associate of OCT Group and the transactions between Konka Group and the Group contemplated under the New Cartons Framework Agreement have become continuing connected transactions under the Listing Rules. Having considered the potential demand of cartons by Konka Group, the Board has resolved to increase the annual caps for the supply of cartons to OCT Group and its associates including but not limited to Konka Group.

2. NEW CARTONS FRAMEWORK AGREEMENT

Date:

27 January 2011

Parties:

(a) The Company; and

(b) OCT Group

Description of the transaction:

On 27 January 2011, the Group and OCT Group entered into the New Cartons Framework Agreement for a term of three years with effect from 1 January 2011 and ending on 31 December 2013.

Pursuant to the New Cartons Framework Agreement, the Group has conditionally agreed to sell cartons to OCT Group and its associates. The exact amount of cartons to be sold and the selling price will be determined by OCT Group and/or its associates and the Group on each sale transaction with reference to the market prices of the cartons. Based on the terms and conditions of the New Cartons Framework Agreement, the parties will enter into a separate purchase contract to set out, inter alia, the selling price, quantity and specifications of cartons for each sale transaction. The selling prices of the cartons will be no less favourable than that charged to independent third parties and on terms no less favourable than those the Group can obtain from independent third parties. The Group may at its discretion decide whether to sell cartons to OCT Group and/or its associates, depending on selling price and terms offered by OCT Group and/or its associates on each sale transaction.

Condition precedent

The New Cartons Framework Agreement shall take effect subject to and conditional upon obtaining the independent Shareholders' approval at the EGM.

Other terms

It was further agreed between the Company and OCT Group that the Existing Cartons Sale and Purchase Agreement will be automatically terminated upon the New Cartons Framework Agreement has obtained the independent Shareholders' approval at the EGM in accordance with Chapter 14A of the Listing Rules.

Annual Caps

The annual caps under the New Cartons Framework Agreement for each of the three years ending 31 December 2013 will not exceed the annual caps of RMB120 million, RMB133 million and RMB143 million, respectively.

Basis for such caps

The caps were determined by reference to (i) the historical amounts of the relevant transactions and (ii) the expected increase of such orders since the trading relationship with OCT Group and its subsidiaries will expand from Shenzhen Huali to cover the other subsidiaries of the Company. The Directors, after taking into account (a) sales of cartons is the ordinary business of the Group, (b) the selling prices will be no less favourable than that charged to independent third parties and on terms no less favourable than those the Group can obtain from independent third parties, (c) the expected rise of selling price of cartons sold by the Group, (d) the estimated purchase of cartons by OCT Group and its associates including but not limited to Konka Group, and (e) the transaction amounts for sale of cartons by the Group to Konka Group for each of three years ending 31 December 2010 being RMB84 million, RMB57 million and RMB93 million, respectively, resolved to allow the increment in the annual caps which were determined with reference to the subsequent discussions with the OCT Group after entering into the Existing Cartons Sale and Purchase Agreement.

3. REASON FOR AND BENEFITS OF THE TRANSACTION

The sale of cartons is one of the principal business activities of the Group, and the Directors consider that the transactions will be conducted on normal commercial terms.

Given that Konka Group has become a connected person of the Company and transactions between the Group and Konka Group constitute continuing connected transactions, and in order to continue carrying out the said transactions between the Group and Konka Group in compliance with the Listing Rules requirements, the Company was required to enter into the New Cartons Framework Agreement. Through the New Cartons Framework Agreement, the Group could more effectively utilise its expertise and capacity in the production and sale of cartons to generate additional revenue to the Group.

In light of the above, the Directors (excluding the independent non-executive Directors whose views shall be given based on the opinion of the independent financial adviser) consider that the terms of the New Cartons Framework Agreement and the proposed annual caps are fair and reasonable so far as the Shareholders are concerned and the transactions under the New Cartons Framework Agreement are in the interest of the Company and the Shareholders as a whole.

4. INFORMATION OF THE GROUP

The Group's principal business activities are design and manufacture of quality paper-based packaging containers and material, including corrugated paperboard and printed cartons for customers; and the development of tourism, properties and hotel complex in the PRC.

5. INFORMATION OF OCT GROUP

OCT Group is the holding company of OCT Ltd. and holds approximately 57% interests in OCT Ltd. as at the date of this announcement. OCT Ltd. owns 100% equity interest in OCT (HK), which in turn owns 100% equity interest in Pacific Climax, which is the controlling shareholder of the Company. Therefore, each of OCT Group and its associates is a connected person to the Company within the meaning of the Listing Rules. OCT Group is principally engaged in investment holding.

6. INFORMATION OF KONKA GROUP

Konka Group is principally engaged in the manufacture and sale of televisions, mobile telephones and other electronic appliances.

7. LISTING RULES IMPLICATIONS

The Directors, excluding the independent non-executive Directors whose views shall be given based on the opinion of the independent financial adviser, have confirmed that the New Cartons Framework Agreement have been subject to arm's length negotiation between the Group and the relevant parties, and have been entered into by the Group in the ordinary course and usual course of business and either (i) on normal commercial terms or better, or (ii) on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties.

OCT Group is the holding company of OCT Ltd. and holds approximately 57% interests in OCT Ltd. as at the date of this announcement. OCT Ltd. owns 100% equity interest in OCT (HK), which in turn owns 100% equity interest in Pacific Climax, which is the controlling shareholder of the Company. Therefore, each of OCT Group and its associates is a connected person to the Company within the meaning of the Listing Rules, and the transaction contemplated under the New Cartons Framework Agreement constitute continuing connected transaction of the Company. Given that each of the applicable Percentage Ratios of the transactions contemplated under the New Cartons Framework Agreement, on a stand-alone and annual basis, is more than 5% and the annual consideration is over HK$10,000,000, the New Cartons Framework Agreement and the annual limits set out thereunder are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Save and except Pacific Climax and its associates, who hold 288,420,000 shares of the Company as at the date of this announcement, are required to and will abstain from voting on the resolution(s) in respect of the New Cartons Framework Agreement and the related annual caps, no other Shareholders are required to abstain from voting on the said resolutions(s) at the EGM.

No Director of the Company is materially interested in the New Cartons Framework Agreement and required to abstain from voting on the Board resolutions to approve the New Cartons Framework Agreement and the annual limits set out thereunder.

The Company has established an independent board committee, which consists of the independent non-executive Directors, to advise the independent shareholders of the Company on the New Cartons Framework Agreement. The Company will appoint an independent financial adviser to advise the independent board committee and independent Shareholders on the above matter.

A circular containing, among other things, details of the New Cartons Framework Agreement, the recommendation from the independent board committee, the advice of the independent financial adviser and a notice to convene the EGM, will be despatched to the Shareholders on or before 21 February 2011.

DEFINITIONS

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

"Announcement"	the announcement of the Company dated 31 December 2010 in relation to certain continuing connected transactions of the Company
"associates"	has the meaning ascribed to in the Listing Rules
"Board"	the board of Directors
"Company"	Overseas Chinese Town (Asia) Holdings Limited, 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
"Directors"	the directors of the Company

"EGM"	the extraordinary general meeting of the Company to be convened for approving, inter alia, the New Cartons Framework Agreement and the related annual caps of the transactions contemplated thereunder
"Existing Cartons Sale and Purchase Agreement"	the cartons sale and purchase agreement dated 31 December 2010 entered into between the Company and OCT Group for the sales of cartons for a term of three years with effect from 1 January 2011 and ending on 31 December 2013
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Konka Group"	Konka Group Co., Ltd. (康佳集團股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Cartons Framework Agreement"	a sales and purchase framework agreement dated 27 January 2011 entered into between the Company and OCT Group for the sales of cartons for a term of three years with effect from 1 January 2011 and ending on 31 December 2013
"OCT Group"	Overseas Chinese Town Enterprises Company (華僑城集團公司), a PRC state-owned company established in the PRC and is 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 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, is the controlling Shareholder and is wholly owned by OCT (HK)

"Percentage Ratios"	the percentage ratios set out in Rule 14.07 of the Listing Rules, i.e. "asset ratio", "profits ratio", "revenue ratio", "consideration ratio" and "equity capital ratio"
"PRC"	the People's republic of China, excluding, for the purpose of this announcement only, Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	Holder(s) of shares of the Company
"Shenzhen Huali"	Shenzhen Huali Packing & Trading Co., Ltd. (深圳華力包裝貿易有限公司), a company established in the PRC and a wholly owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

In this announcement, the English names of the PRC entities or enterprises are translation of their Chinese names. In the event of any inconsistency, the Chinese names shall prevail.

By order of the Board
Overseas Chinese Town (Asia) Holdings Limited
Wang Xiaowen
Chairman

Hong Kong, 27 January 2011

As at the date of this announcement, the Board comprises seven Directors, namely: Ms. Wang Xiaowen, Ms. Xie Mei and Mr. Zhou Guangneng as executive Directors; Mr. He Haibin as non-executive Director; Ms. Wong Wai Ling, Mr. Xu Jian and Mr. Lam Sing Kwong Simon as independent non-executive Directors.