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)

MANDATE FOR POSSIBLE VERY SUBSTANTIAL ACQUISITION INVOLVING PROPOSED PARTICIPATION IN THE PUBLIC TENDER IN RELATION TO THE LAND CONSOLIDATION PROJECT AND PROPOSED FORMATION OF THE JV COMPANY

INTRODUCTION

It has come to the Company's knowledge that the Chengdu Jinniu Government is looking for a partner to set up a joint venture company for the land consolidation project of the Land owned by the Chengdu Jinniu Government. The selection of the said partner will be through Tender and each candidate who wishes to participate in the Tender will be required by the Chengdu Jinniu Government to enter into a cooperation agreement of intent with the Chengdu Jinniu Government and Xinjin Nongfa Investments and pay an earnest money in the amount of RMB300,000,000 (equivalent to approximately HK$375,000,000) to the Chengdu Jinniu Government. Also, it has also come to the Company's knowledge that OCT Ltd., a controlling shareholder of the Company, has entered into the Agreement of Intent with the Chengdu Jinniu Government and Xinjin Nongfa Investments on 28 January 2014 to confirm the participation of OCT Ltd. or its subsidiary in the Tender.

POSSIBLE COOPERATION

The Board is pleased to announce that after preliminary discussion with OCT Ltd. and obtaining the approval from the Board on 29 May 2014, Chengdu OCT, a non-wholly owned subsidiary of the Company, proposed to participate in the Tender in the capacity as OCT Ltd.'s subsidiary, subject to the obtaining of the prior approval from the Independent Shareholders. If Chengdu OCT wins the Tender, it shall thereupon assume the rights and obligations of OCT Ltd. under the Agreement of Intent and shall enter into a formal agreement with the Chengdu Jinniu Government.

Pursuant to the Agreement of Intent, if Chengdu OCT wins the Tender in the capacity as OCT Ltd.'s subsidiary, Chengdu OCT will establish the JV Company with Xinjin Nongfa Investments which will be owned as to 80% by Chengdu OCT and 20% by Xinjin Nongfa Investments and thus the JV Company will become a non-wholly owned subsidiary of the Company. The JV Company will be responsible for providing the Land Consolidation Fund for the Land Consolidation Project of an amount up to a maximum of RMB4,170,000,000 (equivalent to approximately HK$5,212,500,000) in return for certain investment return, details of which are set out in the paragraph headed "Capital cost return and investment return" under the section headed "Information about the Land and the Land Consolidation Project" in this announcement. The JV Company will then engage 金牛區統籌城鄉功能區發展中心 (Jinniu District Coordination of Urban and Rural Functional Areas Development Centre*), a business unit (事業單位) of the Chengdu Jinniu Government, to perform the land consolidation work of the Land. Chengdu OCT will be responsible for ensuring the Land Consolidation Fund be available to the JV Company.

PROVISION OF THE LAND CONSOLIDATION FUND

Pursuant to the Agreement of Intent, the JV Company will be responsible for providing the Land Consolidation Fund for the Land Consolidation Project up to a maximum amount of RMB4,170,000,000 (equivalent to approximately HK$5,212,500,000), and if the actual land consolidation costs exceed the aforesaid maximum amount, the deficit will be borne by the Chengdu Jinniu Government. The JV Company will provide the Land Consolidation Fund with its registered capital of RMB100,000,000, shareholder's loan from Chengdu OCT and loans from banks or financial institutions. Hence, the maximum investment amount in the Possible Cooperation by the Group if Chengdu OCT wins the Tender will be RMB4,150,000,000 (equivalent to approximately HK$5,187,500,000).

LISTING RULES IMPLICATIONS AND MANDATE FOR POSSIBLE VERY SUBSTANTIAL ACQUISITION

As one or more of the relevant applicable percentage ratios calculated pursuant to the Listing Rules in respect of the Possible Cooperation exceed 100%, the Possible Cooperation, if materialises, constitutes a very substantial acquisition of the Company for the purpose of the Listing Rules and is subject to, among other things, the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules. Accordingly, the Board would like to seek for the Proposed Mandate from the Independent Shareholders at the EGM. Upon the obtaining of such Independent Shareholders' approval, Chengdu OCT will be authorized to submit application for the Tender within two months from the date of the EGM.

Chengdu OCT is a non-wholly owned subsidiary of the Company and is indirectly owned as to approximately 51% by the Company, as to approximately 24.8% by OCT Real Estate (a wholly-owned subsidiary of OCT Ltd.) and as to approximately 24.2% by OCT Ltd.. As at the date of this announcement, Pacific Climax is a controlling shareholder of the Company, holding approximately 66.93% of the issued share capital of the Company. Pacific Climax is wholly-owned by OCT(HK), which is, in turn, wholly-owned by OCT Ltd.. As OCT Ltd., other than the interest in Chengdu OCT held by it indirectly through the Company, holds approximately 24.2% equity interest in Chengdu OCT directly, and approximately 24.8% equity interest in Chengdu OCT indirectly through its wholly-owned subsidiary, OCT Ltd. has a material interest in the Possible Cooperation and therefore Pacific Climax and its associates are required to abstain from voting on the Proposed Mandate at the EGM.

An EGM will be convened by the Company at which resolution will be proposed to consider, and if thought fit, approve, among others, the Proposed Mandate.

A circular containing, among other things, (a) further details of the Possible Cooperation and the Agreement of Intent; and (b) such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 24 June 2014.

Shareholder and potentials investors are reminded that the Possible Cooperation is subject to, among other things, the obtaining of the Independent Shareholders' approval by the Company and Chengdu OCT's winning of the Tender. There is no assurance by the Company that the Possible Cooperation will materialise or be undertaken by Chengdu OCT and thus the Possible Cooperation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

TRADING HALT

Trading in the Shares on the Stock Exchange has been halted with effect from 1:00 p.m. on 29 May 2014 pending the release of this announcement and such trading halt will continue pending the release of another announcement in relation to the bidding by the Group of the land use rights of a piece of land at an auction which constitutes a very substantial acquisition and inside information of the Company.

INTRODUCTION

It has come to the Company's knowledge that the Chengdu Jinniu Government is looking for a partner to set up a joint venture company for the land consolidation project of the Land owned by the Chengdu Jinniu Government. The selection of the said partner will be through Tender and each candidate who wishes to participate in the Tender will be required by the Chengdu Jinniu Government to enter into a cooperation agreement of intent with the Chengdu Jinniu Government and Xinjin Nongfa Investments and pay an earnest money in the amount of RMB300,000,000 (equivalent to approximately HK$375,000,000) to the Chengdu Jinniu Government. Also, it has also come to the Company's knowledge that OCT Ltd., a controlling shareholder of the Company, has entered into the Agreement of Intent with the Chengdu Jinniu Government and Xinjin Nongfa Investments on 28 January 2014 to confirm the participation of OCT Ltd. or its subsidiary in the Tender.

POSSIBLE COOPERATION

The Board is pleased to announce that after preliminary discussion with OCT Ltd. and obtaining the approval from the Board on 29 May 2014, Chengdu OCT, a non-wholly owned subsidiary of the Company, proposed to participate in the Tender in the capacity as OCT Ltd.'s subsidiary, subject to the obtaining of the prior approval from the Independent Shareholders. If Chengdu OCT wins the Tender, it shall thereupon assume the rights and obligations of OCT Ltd. under the Agreement of Intent and shall enter into a formal agreement with the Chengdu Jinniu Government.

PRINCIPAL TERMS OF THE AGREEMENT OF INTENT

The principal terms of the Agreement of Intent are as follows:

Parties

(1) Chengdu Jinniu Government
(2) OCT Ltd. *(Note)*
(3) Xinjin Nongfa Investments

Note: Chengdu OCT shall assume the rights and obligations of OCT Ltd. under the Agreement of Intent if Chengdu OCT wins the Tender.

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, each of Chengdu Jinniu Government and Xinjin Nongfa Investments is a third party independent of the Company and its connected persons.

Proposed Formation of the JV Company

Registered capital and capital contribution

Pursuant to the Agreement of Intent, if Chengdu OCT wins the Tender, Chengdu OCT and Xinjin Nongfa Investments will set up the JV Company with a registered capital of RMB100,000,000 (equivalent to approximately HK$125,000,000), in which each of Chengdu OCT and Xinjin Nongfa Investments has to make contribution to the registered capital of RMB80,000,000 (equivalent to approximately HK$100,000,000) and RMB20,000,000 (equivalent to approximately HK$25,000,000), respectively, and hence the JV Company will be owned as to 80% and 20% by Chengdu OCT and Xinjin Nongfa Investments respectively. Xinjin Nongfa Investments is designated by the Chengdu Jinniu Government to be a shareholder of the JV Company. Such capital contribution in the JV Company was determined by the Chengdu Jinniu Government with reference to the size of the Land Consolidation Project, which was considered and approved by the Board taking into account the size of the Land Consolidation Project and the requirements on the registered capital of the JV Company by banks or financial institutions for provision of loans, if any.

The JV Company will be responsible for providing the Land Consolidation Fund for the Land Consolidation Project up to a maximum amount of RMB4,170,000,000 (equivalent to approximately HK$5,212,500,000), and if the actual land consolidation costs exceed the aforesaid maximum amount, the deficit will be borne by the Chengdu Jinniu Government.

The JV Company will provide the Land Consolidation Fund with its registered capital of RMB100,000,000, shareholder's loan from Chengdu OCT and loans from banks or financial institutions. Xinjin Nongfa Investments will only be responsible for providing RMB20,000,000 to the registered capital of the JV Company, which will be utilized by the JV Company for providing the Land Consolidation Fund to the Centre.

Business Scope of the JV Company

The business scope of the JV Company will include, among other things, investment in and financing of the Land Consolidation Project;

Management and supervision of the JV Company

Chengdu OCT is entitled to appoint an executive director (who will be the legal representative and the general manager of the JV Company) in lieu of a board of directors, while Xinjin Nongfa Investments is entitled to appoint a supervisor in lieu of a supervisory board.

In respect of financial affairs of the JV Company, Chengdu OCT is entitled to appoint a responsible person who will be in charge of the financial affairs, while Xinjin Nongfa Investments is entitled to appoint a deputy general manager who will share the management of financial affairs.

Profit sharing of the JV Company

The JV Company will be awarded with certain investment return for the provision of the Land Consolidation Fund, details of which are set out in the paragraph headed "Capital cost return and investment return" under the section headed "Information about the Land and the Land Consolidation Project" hereinbelow.

Earnest money

An earnest money of RMB300,000,000 has been paid by OCT Ltd. to Xinjin Nongfa Investments following the signing of the Agreement of Intent, which will be refunded in entirety with interest to OCT Ltd. , irrespective of whether Chengdu OCT wins the Tender or not and within 5 days from the date of the release of the results of the Tender. Accordingly, in case where (i) approval of the Proposed Mandate from the Independent Shareholders cannot be obtained at the EGM; or (ii) Chengdu OCT does not win the Tender, there will be no impact on the Company.

ROLES AND RESPONSIBILITIES OF THE PARTIES

A summary of the roles and responsibilities of each of Chengdu OCT (if Chengdu OCT wins the Tender), Chengdu Jinniu Government, Xinjin Nongfa Investments, the JV Company and the Centre in the Land Consolidation Project is set out below:–

Party	**Roles and Responsibilities**
Chengdu OCT (if Chengdu OCT wins the Tender)	1. Making contribution to the registered capital of the JV Company in the amount of RMB80,000,000
	2. Ensuring the Land Consolidation Fund be available to the JV Company
Chengdu Jinniu Government	1. Monitoring the Land Consolidation Project
	2. Bearing the deficit if the actual land consolidation costs exceed the maximum amount of RMB4,170,000,000 to be provided by the JV Company

Party	Roles and Responsibilities
Xinjin Nongfa Investments	1. Making contribution to the registered capital of the JV Company in the amount of RMB20,000,000
	2. If shareholder's loan is provided by Chengdu OCT to the JV Company, giving guarantee to Chengdu OCT of 20% of the relevant amount
The JV Company	Providing Land Consolidation Fund to the Centre
The Centre *(Note)*	Implementing of the Land Consolidation Project

Note: The Centre is a business unit of the Chengdu Jinniu Government. The JV Company will enter into a separate agreement with the Centre for the detailed terms of engagement. The major terms of engagement shall be consistent with the Agreement of Intent, including, amongst others, the scope and the completion timeframe of the Land Consolidation Project.

INFORMATION ABOUT THE LAND AND THE LAND CONSOLIDATION PROJECT

The Land is situated at Shaheyuan Area, Huancheng Ecological Zone, Jinniu District, Chengdu, the PRC (中國成都金牛區環城生態區沙河源片區) with a planned area (規劃面積) of approximately 3,190 mu (approximately equivalent to 2,126,667 square meters). After the completion of the Land Consolidation Project, there will be an operational construction area (經營性建設用地) of approximately 906.63 mu (approximately equivalent to 604,420 square meters). In such operational construction area, approximately 714.49 mu (approximately equivalent to 476,327 square meters) will be for residential use, 39.24 mu (approximately equivalent to 26,160 square meters) will be for commercial use and 152.9 mu (approximately equivalent to 101,933 square meters) will be for integrated use. The residential property projects and commercial property projects in Chengdu Huancheng Ecological Zone have a relatively low plot ratio, and they are surrounded by a large area of green ecology, lake ecology and concentration of water crop area.

According to the information currently available to the Company, major part of the Land is 農村土地集體所有(collective ownership of rural land use rights*) while a small part of the Land is state-owned. There are currently, among others, markets and residential properties on the Land.

The Land Consolidation Project is divided into two phases, of which the planned area and operational construction area of Phase 1 account for 1,510 mu (equivalent to approximately 1,006,667 square meters) and 486.4 mu (equivalent to approximately 324,270 square meters), respectively, that of Phase 2 account for 1,680 mu (equivalent to 1,120,000 square meters) and 420.23 mu (equivalent to approximately 280,150 square meters), respectively. Pursuant to the Agreement of Intent, the Chengdu Jinniu Government undertakes to adhere to the following timeframe:–

(1) Phase 1 shall be completed and available for checking within 12 months from the date of approval of the Land Consolidation Project;

(2) sale of the Land in Phase 1 shall be completed within 12 months after the passing of the checking of the land consolidation work;

(3) the Land Consolidation Project shall be completed and the Land shall be available for checking within 30 months from the date of approval of the Land Consolidation Project; and

(4) sale of the Land in entirety shall be completed within 42 months.

According to information currently available to the Company, after the completion of the Land Consolidation Project, the Chengdu Jinniu Government will offer the operational construction area of the Land for sale through the process of bidding invitation, auction or listing-for-sale* (招拍掛) in accordance with the laws and regulations of the PRC. Any enterprise or individual who fulfils the requirements set out in the tender by the Chengdu Jinniu Government can participate in the tender.

Source of the Land Consolidation Fund

The JV Company will be responsible for providing the Land Consolidation Fund for the Land Consolidation Project up to a maximum amount of RMB4,170,000,000 (equivalent to approximately HK$5,212,500,000), and if the actual land consolidation costs exceed the aforesaid maximum amount, the deficit will be borne by the Chengdu Jinniu Government. The aforesaid maximum amount of Land Consolidation Fund to be provided by the JV Company was determined at arm's length negotiation between OCT Ltd. and the Chengdu Jinniu Government with reference to the estimated land consolidation fee of RMB4,600,000 per mu (such estimated land consolidation fee of RMB4,600,000 per mu is determined by the Centre based on its estimated costs for implementing the Land Consolidation Project with reference to the coverage of the Land, the size of the relocation and the construction of infrastructure to be involved in the Land Consolidation Project, the Chengdu Jinniu Government's compensation policy for relocation and the standard construction pricing) and the operational construction area of approximately 906.63 mu, which was considered and approved by the Board having taken into account the size of the Land Consolidation Project and the standard costs for land consolidation works in Chengdu.

The Land Consolidation Fund will be advanced by the JV Company to the Centre in installments according to the timetable to be agreed among Chengdu OCT, Xinjin Nongfa Investments, Chengdu Jinniu Government, the JV Company and the Centre. The detailed timetable of and the respective amount for the advancement of the Land Consolidation Fund have not yet been determined currently but shall be consistent with the progress and the actual need for funds of the Land Consolidation Project.

Pursuant to the Agreement of Intent and if Chengdu OCT wins the Tender, Chengdu OCT will be responsible for ensuring available funds to the JV Company. Chengdu OCT may provide the required funds to the JV Company by way of shareholder's loan with an interest rate of the prevailing Benchmark Lending Rate plus 10%. According to the requirements of State-owned Assets Supervision and Admission Commission of People's Government of Chengdu Municipality* (成都市國有資產監督管理委員會), the guarantee provided by any state-owned shareholders (which are governed by this commission) to joint venture company cannot exceed its shareholdings in such joint venture. Accordingly, if Chengdu OCT provides any shareholders' loan to the JV Company, Xinjin Nongfa Investments, which will hold 20% interest in the JV Company, will provide guarantee as to 20% of such shareholder's loan provided by Chengdu OCT to the JV Company and interest accrued. Chengdu OCT and Xinjin Nongfa Investments may, together with the JV Company, use other ways of financing, provided that the costs of financing shall not be higher than that of the aforementioned shareholder's loan.

In the event that Chengdu OCT is required to provide funds to the JV Company, it will settle the same by loans from banks or financial institutions and/or internal resources.

Capital cost return and investment return

Pursuant to the Agreement of Intent, the Chengdu Jinniu Government shall repay the JV Company the Land Consolidation Fund injected together with the costs of the Land Consolidation Fund injected and an investment return in the following manner:–

(1) During the period when the Land Consolidation Project is in progress and if there is any sale of part of operational construction area of the Land, the Chengdu Jinniu Government shall apply the proceeds of each sale to pay the JV Company (i) the corresponding investment amount to that part of the Land by the JV Company, (ii) the cost of the Land Consolidation Fund injected to that part of operational construction area of the Land sold calculated using the formula (A) below, and (iii) part of the investment return (depending on the prevailing market conditions and the proceeds received from the sale, and to be agreed between the Chengdu Jinniu Government and Chengdu OCT) calculated using the formula (B) below, within 20 business days after the proceeds of sale (after deducting the accruals) have been received by the Chengdu Jinniu Government.

(A) Cost of the Land Consolidation Fund injected will be calculated using the formula below:

$$\begin{array}{c}\text{RMB4,600,000}\\\text{per mu}\end{array} \times \begin{array}{c}\text{Area of}\\\text{that part of}\\\text{operational}\\\text{construction}\\\text{area of}\\\text{the Land sold}\end{array} \times \begin{array}{c}\text{The Benchmark}\\\text{Lending Rate}\end{array} \times \frac{\begin{array}{c}\text{The actual number}\\\text{of days of the}\\\text{Advancement Period}\end{array}}{365}$$

(B) Investment return will be calculated using the formula below:

$$\text{RMB4,600,000 per mu} \times \text{Area of that part of operational construction area of the Land sold} \times \text{An annual rate of not more than 12\% } \textit{(Note)} \times \frac{\text{The actual number of days of the Advancement Period}}{365}$$

Note: Chengdu OCT will ask for an annual rate of investment return of a minimum of 10% and a maximum of 12% in its tender documents to be submitted. The aforesaid minimum requested annual rate of investment return was determined by Chengdu OCT with reference to Chengdu OCT's cost of provision of the funds and rates of investment return of similar projects in the market and the aforesaid maximum requested annual rate of investment return was determined by Chengdu OCT with reference to the maximum annual rate set by the Chengdu Jinniu Government specified in the Agreement of Intent (which is in fact the maximum investment return for this kind of projects pursuant to the relevant policy of Sichuan province), which was considered and approved by the Board. Since the bidders' requested percentage of investment return is one of the consideration factors in selecting the partner for the Land Consolidation Project by the Chengdu Jinniu Government, if the annual rate of investment return requested by Chengdu OCT (i.e. minimum 10% and maximum 12%) does not meet the Chengdu Jinniu Government's requirement, Chengdu OCT will not win the Tender. Accordingly, Chengdu OCT will not carry on with the Possible Cooperation if the annual rate of investment return is lower than 10%.

(2) The remaining investment return shall, upon completion of Land Consolidation Project and sale of the Land, be calculated within 5 business days after the proceeds of the sale have been returned to the Chengdu Jinniu Government (after deducting the accruals). The Chengdu Jinniu Government shall arrange the relevant authority(ies) to pay such remaining investment return within 30 days in cash after the aforesaid calculation.

Breach of Agreement of Intent and Termination Clause

(i) Termination by Chengdu Jinniu Government and Xinjin Nongfa Investments in case of Chengdu OCT's breach

Pursuant to the Agreement of Intent, if the Land Consolidation Project is delayed for more than 60 days to the stipulated timeframe as a result of Chengdu OCT failing to inject the required Land Consolidation Fund into the JV Company in accordance with the Agreement of Intent, the Chengdu Jinniu Government and Xinjin Nongfa Investments shall be entitled to terminate the Agreement of Intent. Chengdu OCT shall withdraw from the JV Company, and its equity interest held in the JV Company will be repurchased by Xinjin Nongfa Investments in the sum of original capital contribution by Chengdu OCT (i.e. RMB80,000,000) within 1 month of the withdrawal.

Under the abovementioned circumstances, Chengdu OCT undertakes to waive the interest accrued from the shareholder's loan and its entitlement to investment return in the JV Company. In addition, Chengdu OCT will be required to compensate the Chengdu Jinniu Government and Xinjin Nongfa Investments the amount as calculated below:

$(A - B - C - D) \times (12\% + E) \times F$

Where:
A = RMB4,170,000,000
B = the registered capital of the JV Company, being RMB100,000,000
C = the shareholder's loan provided by Chengdu OCT to the JV Company (if any)
D = other borrowings by the JV Company
E = the Benchmark Lending Rate
F = the number of days in default according to the agreed timetable for the injection of the Land Consolidation Fund

The shareholder's loan provided by Chengdu OCT to the JV Company (if any) shall be returned to Chengdu OCT after deducting the compensation to the Chengdu Jinniu Government and Xinjin Nongfa Investments within 180 days after assigning the Land in entirety, or 5 years after the approval of Land Consolidation Project, whichever is earlier.

(ii) Termination by Chengdu OCT

Chengdu OCT shall be entitled to terminate the Agreement of Intent and withdraw from the JV Company in the circumstances where the Land Consolidation Project could not be carried out properly for any reason (no matter it is caused by the Chengdu Jinniu Government or Xinjin Nongfa Investments), save for the default on the part of Chengdu OCT as stated in paragraph (i) above. Chengdu OCT's shareholding in the JV Company shall be repurchased by Xinjin Nongfa Investments in the sum of original capital contribution by Chengdu OCT (i.e. RMB80,000,000) within 1 month of the withdrawal.

Under such circumstances, the Chengdu Jinniu Government and Xinjin Nongfa Investments undertake to return to Chengdu OCT the shareholder's loan contributed by Chengdu OCT together with the respective interest accrued. The Chengdu Jinniu Government and Xinjin Nongfa Investments will be required to compensate Chengdu OCT within 3 months after the termination of the Agreement of Intent the amount as calculated as below:

$(A \times 12\%) \times B$

Where:
A = the shareholder's loan provided by Chengdu OCT to the JV Company
B = the actual number of days which the shareholder's loan has been provided/365

(iii) Late injection of Land Consolidation Fund by Chengdu OCT and non-repayment by the Chengdu Jinniu Government

If Chengdu OCT does not inject the Land Consolidation Fund into the JV Company for more than 30 days from the agreed date, Chengdu OCT will be required to compensate the Chengdu Jinniu Government a daily amount which represents 0.03% of the amount of Land Consolidation Fund which should have been contributed by Chengdu OCT.

If Chengdu OCT does not inject the Land Consolidation Fund to the JV Company for more than 60 days from the agreed date, the Chengdu Jinniu Government shall be entitled to pursue the compensation as stated in the sub-paragraph (i) above.

If Chengdu Jinniu Government does not repay the JV Company the Land Consolidation Fund injected, the capital cost return and the investment return for more than 30 days from the agreed date, Chengdu Jinniu Government shall compensate the JV Company a daily amount which represents 0.03% of the amount due.

If Chengdu Jinniu Government does not repay the JV Company the Land Consolidation Fund injected, the capital cost return and the investment return for more than 60 days from the agreed date, Chengdu OCT shall be entitled to pursue the compensation as stated in the subsection (ii) above.

INFORMATION OF THE TENDER

Based on the information currently available, the Chengdu Jinniu Government will select the partner for the Land Consolidation Project based on, among others, the credit profile, financial status, relevant past experiences of the bidders and the bidders' requested percentage of investment return to be given to the joint venture company by the Chengdu Jinniu Government for the funds injected by the joint venture company.

Based on the information currently available, the Directors expect that the Tender will be closed in around one month after the publication of the notice of Tender by the Chengdu Jinniu Government (which is currently expected to be issued on or before 30 June 2014) and the results of the Tender will be released on the next day upon close of Tender. The selected candidate will enter into a formal agreement with the Chengdu Jinniu Government in around 5 business days thereafter.

VALIDITY PERIOD OF THE AUTHORISATION

Upon the obtaining of Independent Shareholders' approval at the EGM for the Proposed Mandate, Chengdu OCT will be authorized to submit application for the Tender within two months from the date of the EGM.

INFORMATION OF THE GROUP, CHENGDU OCT, CHENGDU JINNIU GOVERNMENT AND XINJIN NONGFA INVESTMENTS

The Group is principally engaged in the comprehensive development business and the manufacture and sale of cartons and paper products. Chengdu OCT is principally engaged in the development and operation of properties, tourism and hotel complex in the PRC.

Chengdu Jinniu Government is the People's Government of Jin Niu District, Chengdu, the PRC.

Xinjin Nongfa Investments is a state-owned enterprise and a wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of Jinniu District of Chengdu Municipality* (成都市金牛區國有資產監督管理委員會), which is principally engaged in investment in agricultural projects, land clearance, investment management, investment in infrastructure and public facilities projects for "new housing projects".

REASONS FOR AND BENEFITS OF THE POSSIBLE COOPERATION

The Directors are of the view that the Possible Cooperation, if materialises, would bring satisfactory return to the Group, enable the Group to reach out to new business opportunities, diversify sources of revenue for the Group. The Directors are of the view that the Possible Cooperation, if materialises, would promote the business development of the Group.

The Directors consider that the terms of the Agreement of Intent are fair and reasonable, and that the Possible Cooperation is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS AND MANDATE FOR POSSIBLE VERY SUBSTANTIAL ACQUISITION

As one or more of the relevant applicable percentage ratios calculated pursuant to the Listing Rules in respect of the Possible Cooperation, if materialises, exceed 100%, the Possible Cooperation, if materialises, constitutes a very substantial acquisition of the Company for the purpose of the Listing Rules and is subject to, among other things, the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules. Accordingly, the Board would like to seek for the approval of the Proposed Mandate from the Independent Shareholders at the EGM. Upon the obtaining of such Independent Shareholders' approval, Chengdu OCT will be authorized to submit application for the Tender within two months from the date of the EGM.

Chengdu OCT is a non-wholly owned subsidiary of the Company and is indirectly owned as to approximately 51% by the Company, as to approximately 24.8% by OCT Real Estate (a wholly-owned subsidiary of OCT Ltd.) and as to approximately 24.2% by OCT Ltd.. As at the date of this announcement, Pacific Climax is a controlling shareholder of the Company, holding approximately 66.93% of the issued share capital of the Company. Pacific Climax is wholly-owned by OCT(HK), which is, in turn, wholly-owned by OCT Ltd.. As OCT Ltd., other than the interest in Chengdu OCT held by it indirectly through the Company, holds approximately 24.2% equity interest directly, and approximately 24.8% equity interest indirectly through its wholly-owned subsidiary, OCT Ltd. has a material interest in the Possible Cooperation and therefore Pacific Climax and its associates is required to abstain from voting on the Proposed Mandate at the EGM.

An EGM will be convened by the Company at which resolution will be proposed to consider, and if thought fit, approve, among others, the Proposed Mandate.

A circular containing, among other things, (a) further details of the Possible Cooperation and the Agreement of Intent; and (b) such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 24 June 2014.

Shareholder and potentials investors are reminded that the Possible Cooperation is subject to, among other things, the obtaining of the Independent Shareholders' approval by the Company and Chengdu OCT's winning of the Tender . There is no assurance by the Company that the Possible Cooperation will materialise or be undertaken by Chengdu OCT and thus the Possible Cooperation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

TRADING HALT

Trading in the Shares on the Stock Exchange has been halted with effect from 1:00 p.m. on 29 May 2014 pending the release of this announcement and such trading halt will continue pending the release of another announcement in relation to the bidding by the Group of the land use rights of a piece of land at an auction which constitutes a very substantial acquisition and inside information of the Company.

DEFINITIONS

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

"Advancement Period"	the period between the date of advancement of the Land Consolidation Fund from the JV Company to the Centre and the date of repayment by the Chengdu Jinniu Government
"Agreement of Intent"	the cooperation agreement of intent (意向協議) dated 28 January 2014 entered into among OCT Ltd., Chengdu Jinniu Government and Xinjin Nongfa Investments in relation to the rights and obligations of the parties in the Land Consolidation Project and the confirmation of the participation of OCT Ltd. or its subsidiary in the Tender
"associate"	has the meaning ascribed thereto under the Listing Rules
"Benchmark Lending Rate"	the benchmark lending interest rate published by the People's Bank of China prevailing over the periods
"Board"	the board of Directors
"Centre"	金牛區統籌城鄉功能區發展中心 (Jinniu District Coordination of Urban and Rural Functional Areas Development Centre*)
"Chengdu Jinniu Government"	成都市金牛區人民政府 (the People's Government of Jin Niu District, Chengdu, the PRC)
"Chengdu OCT"	成都天府華僑城實業發展有限公司 (Chengdu Tianfu OCT Industry Development Company Limited*), a sino-foreign equity joint venture established under the laws of the PRC and a non-wholly owned subsidiary of the Company
"connected person"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider, if thought fit, to approve the Proposed Mandate
"Group"	the Company and its subsidiaries

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholders"	Shareholders, other than Pacific Climax and its associates
"JV Company"	a joint venture company to be set up by Chengdu OCT with Xinjin Nongfa Investments pursuant to the Agreement of Intent and the Possible Cooperation, if Chengdu OCT wins the Tender
"Land"	a plot of land located at 中國成都金牛區環城生態區沙河源片區 (Shaheyuan Area, Huancheng Ecological Zone, Jinniu District, Chengdu, the PRC), with a planned area of approximately of 3,190 mu
"Land Consolidation Fund"	the fund(s) to be invested by the JV Company for land consolidation work of the Land pursuant to the Agreement of Intent and the Possible Cooperation, if materialises
"Land Consolidation Project"	a land consolidation project of the Land including, amongst others, site formation (土地平整), removal (拆舊), restoration (複墾), centralized relocation of farmers (農民集中安置) and construction of infrastructure and urban facilities
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"mu"	mu (畝), a Chinese unit of measurement, equivalent to 666 $^{2}/_{3}$ square meters
"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
"OCT Real Estate"	Overseas Chinese Town Real Estate Company Limited (深圳華僑城房地產有限公司), a wholly-owned subsidiary of OCT Ltd.
"Pacific Climax"	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, who is a controlling shareholder of the Company and is wholly-owned by OCT (HK)
"Possible Cooperation"	the transactions contemplated under the Tender, including but not limited to the formation of the JV Company, upon successful bid by Chengdu OCT
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)

"Proposed Mandate"	a mandate proposed to be sought by the Company from the Independent Shareholders for authority to Chengdu OCT to participate in the Tender and to engage in the Possible Cooperation
"Share(s)"	Share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tender"	the public tender selection of a partner by the Chengdu Jinniu Government for the Land Consolidation Project
"Xinjin Nongfa Investments"	成都市鑫金農發投資有限公司 (Chengdu Xin Jin Nong Fa Investments Co., Ltd*), a stated-owned enterprise
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

In this announcement, the English names of the PRC entities are translation of their Chinese names and included for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK$ at the rate of HK$1.00 = RMB0.80. No representation has been made by the Company that any amount expressed in foreign currency in this announcement has been, could have been or could be converted at any rates or at all.

* *For identification purpose only*

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

Hong Kong, 3 June 2014

As at the date of this announcement, the Board comprises seven directors, namely: Ms. Wang Xiaowen, Ms. Xie Mei and Mr. Yang Jie as executive Directors; Mr. Zhou Ping as non-executive Director; Mr. Lu Gong, Ms. Wong Wai Ling and Professor Lam Sing Kwong Simon as independent non-executive Directors.