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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)

MAJOR TRANSACTION
ACQUISITION OF 50% EQUITY INTEREST IN BAOXIN QUANSHENG

COOPERATION AGREEMENT

The Board is pleased to announce that, on 7 March 2016 (after trading hours), OCT Chuang Ying, a wholly-owned subsidiary of Chengdu OCT (which is a non-wholly owned subsidiary of the Company), entered into the Cooperation Agreement with Baoxin Investment, pursuant to which OCT Chuang Ying agreed to acquire and Baoxin Investment agreed to sell 50% equity interest in Baoxin Quansheng at a consideration of RMB25,000,000 (equivalent to approximately HK\$29,761,905).

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated pursuant to the Listing Rules in respect of the Cooperation Agreement is/are more than 25% but less than 100%, the Cooperation Agreement and the transactions contemplated thereunder constitute a major transaction of the Company for the purpose of the Listing Rules and are subject to the announcement requirements and the approval of the Shareholders under Chapter 14 of the Listing Rules.

As no Shareholder has material interest in the Cooperation Agreement and the transactions contemplated thereunder, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Agreement and the transactions contemplated thereunder. The Company has obtained a written approval from Pacific Climax, which held 434,894,000 Shares as at the date of this announcement (representing approximately 66.66% of the issued share capital of the Company) for the approval of the Cooperation Agreement and the transactions contemplated thereunder. As such, no extraordinary general meeting will be convened by the Company to approve the Cooperation Agreement and the transactions contemplated thereunder.

In addition, a circular containing, among other things, further details of the Cooperation Agreement and the transactions contemplated thereunder and such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 March 2016.

INTRODUCTION

The Board is pleased to announce that, on 7 March 2016 (after trading hours), OCT Chuang Ying, a wholly-owned subsidiary of Chengdu OCT (which is a non-wholly owned subsidiary of the Company), entered into the Cooperation Agreement with Baoxin Investment, pursuant to which OCT Chuang Ying agreed to acquire and Baoxin Investment agreed to sell 50% equity interest in Baoxin Quansheng at a consideration of RMB25,000,000 (equivalent to approximately HK\$29,761,905).

Following completion of the Acquisition, Baoxin Quansheng will cease to be a wholly-owned subsidiary of Baoxin Investment and will be owned as to 50% and 50% by each of OCT Chuang Ying and Baoxin Investment. Baoxin Quansheng will not become a subsidiary of the Company and the financial results of Baoxin Quansheng will not be consolidated into the Group.

PRINCIPAL TERMS OF THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are as follows:

Date

7 March 2016

Parties

- (1) OCT Chuang Ying, a wholly-owned subsidiary of Chengdu OCT (which is a non-wholly owned subsidiary of the Company), as the purchaser; and
- (2) Baoxin Investment, as the vendor.

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, Baoxin Investment and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

The acquisition of the 50% equity interest in Baoxin Quansheng by OCT Chuang Ying from Baoxin Investment.

Baoxin Quansheng was newly established in the PRC in February 2016 with registered capital of RMB50,000,000.

As Baoxin Quansheng is in the early stage of development, the profit before and after tax attributable to Baoxin Quansheng for the two financial years preceding to the signing of the Cooperation Agreement are not available and no profit or loss was recorded for the period from 16 February 2016 (date of incorporation) to 29 February 2016.

Consideration and Shareholder's Loan

RMB25,000,000 (equivalent to approximately HK\$29,761,905).

Pursuant to the Cooperation Agreement, OCT Chuang Ying and Baoxin Investment shall enter into the Equity Transfer Agreement within three business days from the date of the Cooperation Agreement and the consideration in the amount of RMB25,000,000 shall be paid by OCT Chuang Ying to Baoxin Investment within three business days from the date of the Equity Transfer Agreement. OCT Chuang Ying and Baoxin Investment have entered into the Equity Transfer Agreement on 7 March 2016. OCT Chuang Ying and Baoxin Investment shall complete the relevant industrial and commercial registration procedures of the Acquisition within ten business days from the date of payment of the said consideration.

Should OCT Chuang Ying fail to pay the aforesaid consideration in accordance with the terms of the Cooperation Agreement, Baoxin Investment shall have the right to terminate the Cooperation Agreement and the Equity Transfer Agreement and OCT Chuang Ying shall be liable for a penalty in the amount of RMB50,000,000.

On condition that OCT Chuang Ying has fulfilled its obligations under the Cooperation Agreement, if Baoxin Investment fails to cooperate with OCT Chuang Ying in handling the registration procedures for the Acquisition resulting in inability of OCT Chuang Ying in obtaining 50% equity interest in Baoxin Quansheng, OCT Chuang Ying shall have the right to terminate the Cooperation Agreement and the Equity Transfer Agreement and Baoxin Investment shall refund all amounts paid to it by OCT Chuang Ying and be liable for a penalty in the amount of RMB50,000,000.

As at 15 February 2016, Baoxin Investment had paid a total of RMB165,961,566.5 (equivalent to approximately HK\$197,573,282) (the **“Contributed Amount”**) on behalf of Baoxin Quansheng or through Baoxin Quansheng for the development of the Land (including but not limited to part of the land transfer fee of the Land and the transaction fee of the Auction). OCT Chuang Ying shall provide a sum equal to 50% of the Contributed Amount minus RMB25,000,000 to Baoxin Quansheng as shareholder's loan, being RMB57,980,783.25 (equivalent to approximately HK\$69,024,742) (the **“OCT Commitment”**), within three business days upon completion of the relevant industrial and commercial registration procedures of the Acquisition and obtaining the new business licence. Such amount received by Baoxin Quansheng will be used for repaying part of the Contributed Amount provided by Baoxin Investment.

If OCT Chuang Ying fails to provide the OCT Commitment in accordance with the terms of the Cooperation Agreement for less than five business days, any outstanding amount will be subject to a penalty of 0.02% per day payable to Baoxin Investment. If the OCT Commitment is overdue for five

business days or more, Baoxin Investment shall have the right to terminate the Cooperation Agreement and OCT Chuang Ying shall be liable for a penalty in the amount of RMB50,000,000 and shall return the 50% equity interest in Baoxin Quansheng to Baoxin Investment at a consideration of RMB25,000,000.

The Board considered that each of the consideration of the Acquisition in the amount of RMB25,000,000 and the OCT Commitment in the amount of RMB57,980,783.25 was fair and reasonable after taking into account the market price of surrounding land and the development potential of the Land.

The Group intends to satisfy the consideration of the Acquisition in the amount of RMB25,000,000 and the OCT Commitment by shareholder's loan and bank loan(s).

Source of capital

Should Baoxin Quansheng require working capital and such amount cannot be fully covered by bank loans and proceeds from sale, OCT Chuang Ying and Baoxin Investment shall provide shareholders' loan to Baoxin Quansheng in proportion to their respective equity interests in Baoxin Quansheng to cover the deficient amount. OCT Chuang Ying and Baoxin Investment shall also provide corporate guarantees in proportion to their respective equity interests required for the bank loan(s) to be obtained by Baoxin Quansheng. The total amount of shareholders' loans and corporate guarantees to be provided by OCT Chuang Ying and Baoxin Investment shall not exceed RMB1,950,000,000.

Baoxin Quansheng shall pay interest to OCT Chuang Ying and Baoxin Investment for their respective shareholders' loans in accordance with the benchmark rate for loan of the same period promulgated by the People's Bank of China plus 10%.

The Group intends to satisfy the shareholder's loan to be made by OCT Chuang Ying to Baoxin Quansheng by shareholder's loan and bank loan(s).

Board composition of Baoxin Quansheng

The board of Baoxin Quansheng shall comprise three directors, of which two directors will be appointed by Baoxin Investment and one director will be appointed by OCT Chuang Ying. The chairman of the board of directors of Baoxin Quansheng will be appointed by Baoxin Investment. However, all resolutions made by the board of directors shall be unanimously agreed by all the directors.

Profit and loss sharing

The profit and loss of Baoxin Quansheng will be shared by OCT Chuang Ying and Baoxin Investment proportional to their respective capital injection and shareholders' loan in Baoxin Quansheng.

Other Terms

When the property to be developed on the Land has been completed and delivered and over 94% of the saleable areas have been sold, OCT Chuang Ying and Baoxin Investment shall liquidate Baoxin Quansheng, the detailed terms of which will be subject to further negotiation between OCT Chuang Ying and Baoxin Investment.

Each of OCT Chuang Ying and Baoxin Investment shall not dispose of or pledge their respective equity interests in Baoxin Quansheng to any other party(ies) without the consent from the other party. If any party intends to dispose of their equity interests in Baoxin Quansheng, the other party would have a first right of refusal. However, if OCT Chuang Ying at its discretion decided to dispose of not more than 10% equity interests in Baoxin Quansheng to any other party(ies), Baoxin Investment will not have any first right of refusal.

REASONS FOR AND BENEFIT OF ENTERING INTO THE COOPERATION AGREEMENT

Baoxin Investment has succeeded in the bid of the land use rights of the Land offered for sale by Chengdu Land Bureau at the Auction and has established a wholly-owned subsidiary, Baoxin Quansheng to hold the Land.

Due to rapid economic growth in Chengdu, its property market is active and has room for growth. The Land is located in Jinniu District, a major development zone in Chengdu. Given the superior geographical location with good ancillary facilities of the Land, it is expected the Acquisition will bring satisfied return and enhance the overall profit level of the Company. Furthermore, the beneficial owner of Baoxin Investment is a leading company in the industry and has successful experience in property development. The Company believed that the cooperation between both parties could ensure the success of the Land's development.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Acquisition and the transactions contemplated thereunder (including the Consideration) are fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP

The principal business activity of the Company is investment holding. The Group is principally engaged in the comprehensive development business and the manufacture and sale of cartons and paper products.

OCT Chuang Ying is a wholly-owned subsidiary of Chengdu OCT, which 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 深圳華僑城房地產有限公司 (Overseas Chinese Town Real Estate Company Limited*) (“**OCT Real Estate**”) (a wholly-owned subsidiary of 深圳華僑城股份有限公司 (Shenzhen Overseas Chinese Town Company Limited*) (“**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 66.66% of the issued share capital of the Company. Pacific Climax is wholly-owned by Overseas Chinese Town (HK) Company Limited, which is, in turn, wholly-owned by OCT Ltd.

INFORMATION OF BAOXIN INVESTMENT

Baoxin Investment is indirectly wholly-owned by 保利房地產(集團)股份有限公司 (Baoli Real Estate (Group) Company Limited*) which has had abundant experience in real estate development in the PRC. Baoxin Investment is principally engaged in project investment, real estate development, land consolidation, construction of city infrastructure, sale of property, leasing of self-owned buildings, construction of roads and earthwork, property management, hotel management and import and export of technology.

Baoxin Investment wholly-owns Baoxin Quansheng whose assets mainly consist of the Land located in Jinniu District with a total site area of approximately 58,308 square meters. According to the relevant laws, regulations and planning guidelines, the total gross floor area shall be not more than 174,925 square meters and the Land is designated for commercial and Type 2 residential purposes (商業用地兼容二類住宅用地). The Land will mainly be used for the development of high-rise residential property, ground-floor shops, commercial duplexes, apartment buildings and underground car parking space. It is anticipated that construction will commence in May 2016 and be completed by the end of 2018.

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In addition, a circular containing, among other things, further details of the Cooperation Agreement and the transactions contemplated thereunder and such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 March 2016.

DEFINITIONS

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

“Acquisition”	the acquisition of 50% equity interest in Baoxin Quansheng by OCT Chuang Ying from Baoxin Investment
“Auction”	the public auction held by Chengdu Trading & Service Center at which the Land was offered for sale by Chengdu Land Bureau;
“Baoxin Investment”	成都保鑫投資有限公司 (Chengdu Baoxin Investment Company Limited*), a company established in the PRC;
“Baoxin Quansheng”	成都市保鑫泉盛房地產開發有限公司 (Chengdu Baoxin Quansheng Real Estate Development Company Limited*), a company established in the PRC which is directly wholly-owned by Baoxin Investment as at the date of this announcement;
“Board”	the board of Directors of the Company;
“Chengdu Land Bureau”	成都市國土資源局 (Chengdu Land Resources Bureau*);
“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
“Chengdu Trading & Service Center”	成都市公共資源交易服務中心 (Chengdu Public Resources Trading and Service Center*);
“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 (stock code: 03366);
“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;
“Cooperation Agreement”	the cooperation agreement entered into between OCT Chuang Ying and Baoxin Investment in respect of, amongst others, the Acquisition;

“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreement”	the equity transfer agreement entered into between OCT Chuang Ying and Baoxin Investment in respect of the Acquisition;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	parties independent of and not connected with the Company and its connected persons;
“Land”	a piece of land located at Division 4, 6 and 11, Tuqiao Village, Jinquan Road, Jinniu District, Chengdu, the PRC* (中國成都市金牛區金泉街道土橋村4、6、11組) with a total site area of approximately 58,308 square meters;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“OCT Chuang Ying”	成都華僑城創盈企業管理有限公司 (Chengdu OCT Chuang Ying Enterprise Management Company Limited*), a company established in the PRC and a wholly owned subsidiary of Chengdu OCT;
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“%”	per cent.

Unless otherwise specified in this announcement, the exchange rate of HK\$1.00 = RMB0.84 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “” is for identification purpose only.*

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

Hong Kong, 7 March 2016

As at the date of this announcement, the Board of the Company comprises seven Directors, namely: Ms. Wang Xiaowen, Ms. Xie Mei and Mr. Lin Kaihua 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.