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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 5.11% EQUITY INTEREST IN TARGET COMPANY

EQUITY TRANSFER AGREEMENTS

The Board is pleased to announce that, on 10 May 2018, City Legend, a wholly-owned subsidiary of the Company, and Suzhou Wancheng entered into the Equity Transfer Agreements, pursuant to which City Legend agreed to acquire and Suzhou Wancheng agreed to sell the Target Shares at the consideration of RMB1,176,470,588 (or its USD or HK\$ equivalent which will be determined based on the foreign exchange reference rate announced by the People's Bank of China on the effective date of the Equity Transfer Agreements).

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated pursuant to the Listing Rules in respect of the Equity Transfer Agreements is/are more than 25% but less than 100%, the Equity Transfer Agreements 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 requirement and the approval of the Shareholders under Chapter 14 of the Listing Rules.

SHAREHOLDERS' WRITTEN APPROVAL

As no Shareholder has material interest in the Equity Transfer Agreements 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 Equity Transfer Agreements and the transactions contemplated thereunder. The Company has obtained a written approval from Pacific Climax, the controlling shareholder of the Company which held 530,894,000 Shares as at the date of this announcement (representing approximately 70.94% of the issued share capital of the Company) for the approval of the Equity Transfer Agreements and the transactions contemplated thereunder. As such, no extraordinary general meeting will be convened by the Company to approve the Equity Transfer Agreements and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among others, further details of the Equity Transfer Agreements and the transactions contemplated thereunder and such other required information, shall be despatched within 15 business days after publication of this announcement. As more time is required to prepare the information to be included in the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange so that the despatch date of the circular can be postponed to a date more than 15 business days after publication of this announcement, which is expected to be on or before 30 June 2018.

The Board is pleased to announce that, on 10 May 2018, City Legend, a wholly-owned subsidiary of the Company, and Suzhou Wancheng entered into the Equity Transfer Agreements.

EQUITY TRANSFER AGREEMENTS

Principal terms of the Equity Transfer Agreements are set out as follows:

Date

10 May 2018 (after trading hours)

Parties

- (1) City Legend (as purchaser); and
- (2) Suzhou Wancheng (as vendor).

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, Suzhou Wancheng, the other shareholders of the Target Company and their respective ultimate beneficial owners are Independent Third Parties.

Effectiveness of the Equity Transfer Agreements

As at the date of the Equity Transfer Agreements, Suzhou Wancheng is the sole shareholder of BVI Subsidiary, and BVI Subsidiary holds 13.04% equity interest in the Target Company.

Pursuant to the Equity Transfer Agreements, BVI Subsidiary shall transfer its 13.04% equity interest in the Target Company to Suzhou Wancheng. The Equity Transfer Agreements shall become effective upon completion of such transfer and Suzhou Wancheng having become the registered holder of the 13.04% equity interest in the Target Company.

The transactions contemplated under the Equity Transfer Agreements is subject to the Company having complied with the applicable requirements under the Listing Rules (including the obtaining of the shareholders' approval). Prior to the entering of the Equity Transfer Agreements, the Company has obtained a written approval from Pacific Climax, the controlling shareholder of the Company which held 530,894,000 Shares as at the date of this announcement (representing approximately 70.94% of the issued share capital of the Company) for the approval of the Equity Transfer Agreements and the transactions contemplated thereunder.

Subject Matter

After completion of the transfer of 13.04% equity interest by BVI Subsidiary to Suzhou Wancheng, Suzhou Wancheng shall sell the Target Shares, (being 10,607,948 shares in the Target Company and representing approximately 5.11% equity interest of the Target Company) to City Legend.

Completion

Completion of the Equity Transfer Agreements shall take place within three (3) business days after the Equity Transfer Agreements have become effective, Suzhou Wancheng having completed the registrations at the relevant PRC authorities regarding the change in overseas direct investment (ODI) and foreign exchange administration, and Suzhou Wancheng having opened a PRC bank account for the transactions contemplated under the Equity Transfer Agreements.

On the completion date, Suzhou Wancheng shall transfer the Target Shares to City Legend and arrange the directors appointed by it or its affiliates in the Target Company to resign, and City Legend shall enter into the Joinder Agreement with the Target Company.

Upon completion of the Equity Transfer Agreements, the Target Company will be owned as to approximately 5.11% by City Legend. Accordingly, it will not become a subsidiary of the Company and its financial results will not be consolidated into the Group.

Consideration and Payment Manner

The consideration for the acquisition of the Target Shares is RMB1,176,470,588 (or its USD or HK\$ equivalent which will be determined based on the foreign exchange reference rate announced by the People's Bank of China on the effective date of the Equity Transfer Agreements), which shall be settled in cash by way of bank transfer by City Legend within one (1) business day after the completion date.

If Suzhou Wancheng has fulfilled its obligation to transfer the Target Shares but City Legend fails to settle the full amount of the consideration on the prescribed date, Suzhou Wancheng may select to (i) terminate the Equity Transfer Agreement and require City Legend to transfer the Target Shares back to Suzhou Wancheng within the requested time and bear the relevant costs; or (ii) require City Legend to continue with its payment obligation under the Equity Transfer Agreements and pay a daily default interest of 0.05% per day on the outstanding consideration.

The Group intends to satisfy the consideration by its internal resource and/or bank loans.

Basis of Consideration

The consideration was arrived at after arm's length negotiations between City Legend and Suzhou Wancheng and was determined after having taken into account, among other things, (i) the market value of comparable listed companies in the same industry; (ii) the prospect of the industry the Target Company engaged in and the market share of the Target Company in the PRC.

Breach of Agreements and Indemnity

In the event the completion does not take place on or before the Long Stop Date due to the reason of any party, or any party (the "**Default Party**") commits a material breach of the Equity Transfer Agreements, the non-Default Party may terminate the Equity Transfer Agreements by serving a written notice to the Default Party, and the Equity Transfer Agreements will be terminated from the date when the Default Party received such notice.

The non-Default Party may claim the Default Party for all losses arise from the breach, and the Default Party shall be liable for a default penalty amount to 30% of the total amount of the consideration.

Succession of Shareholder's Rights and Obligations

Pursuant to the Equity Transfer Agreements, City Legend shall enter into the Joinder Agreement with the Target Company on the completion date, pursuant to which City Legend shall agree to become a party to the Shareholders' Agreement and be bound by the terms and conditions therein.

Accordingly, City Legend shall success all rights and obligations of a shareholder of the Target Company from Suzhou Wancheng, save for the rights of "Principal Shareholders" and those exclusively entitled to Suzhou Wancheng and/or its affiliates under the Shareholders' Agreement.

PRINCIPAL TERMS AND CONDITIONS OF THE SHAREHOLDERS' AGREEMENT

A summary of the principal rights and obligation of City Legend as a shareholder under the Shareholders' Agreement is set out as follows:

Right of Transfer

Right of First Offer

Save for transfer to an affiliate of City Legend, any transfer of shares of the Target Company is subject to the right of first offer by the other existing shareholders of the Target Company. Besides, transfer of Target Company's shares to competitors of the Target Company and/or its certain principal shareholders is not allowed unless with the prior written consent of the management of the Target Company or the relevant principal shareholders.

Drag Along Right

If shareholders holding sixty-seven percent (67%) or more of the Target Company's shares propose to transfer all of their respective Target Company's shares to a third party, such shareholders may at their option require other shareholders of the Target Company (including City Legend) to transfer all their respective Target Company's shares to such third party.

Corporate Governance

City Legend has the right to vote at any shareholders' meeting of the Target Company. It does not have the right to nominate or appoint the directors or the senior management of the Target Company.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the Cayman Islands. It is principally engaged in investment holdings. The Target Group is a leading online travel agency (OTA) in the PRC with an optimistic growth prospect which provides one-stop travel booking service.

FINANCIAL INFORMATION OF THE TARGET GROUP

The unaudited financial information of the Target Company for the two years ended 31 December 2017 as provided by Suzhou Wancheng based on the Accounting Standards for Business Enterprises promulgated by Ministry of Finance of the PRC is set out as follow:

	For the year ended 31 December	
	2016	2017
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Net profit/(loss) (before tax)	(1,203,329)	589,848
Net profit/(loss) (after tax)	(1,226,689)	594,181
Net asset	1,942,059	2,753,719

Note:

The financial information above is derived from summing up the net profit and net assets of the subsidiaries of the Target Company and is unaudited. As such the above financial information of the Target Company may deviate from the audited consolidated financial information of the Target Company to be included in the circular to be despatched by the Company.

REASONS FOR AND BENEFIT OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS

Having considered that (i) the online travel agency industry has seen an explosive growth in recent years, and the Target Company has a good development prospect with its rapid growth in the numbers of active daily users and transactions amount; (ii) the Group's investment in the Target Company is expected to generate satisfactory return and is in the interest of the Group; and (iii) the transaction contemplated under the Equity Transfer Agreements is in line with the Company's development strategies about making investment in the industries in the new urbanization industrial ecosphere; the Directors are of the view that the terms of the Equity Transfer Agreements are on normal commercial terms, fair and reasonable and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND PARTIES TO THE EQUITY TRANSFER AGREEMENTS

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.

City Legend is a wholly-owned subsidiary of the company, which is incorporated under the laws of Hong Kong with limited liability. It is principally engaged in investment holding.

Suzhou Wancheng is a company incorporated in the PRC. It is principally engaged in investments in travel industry.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of Directors of the Company;
“business day(s)”	the legal working days in the PRC;
“BVI Subsidiary”	a company incorporated in the British Virgin Islands and wholly-owned by Suzhou Wancheng as at the date of this announcement;
“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);
“City Legend”	City Legend International Limited (華昌國際有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by the Company;
“controlling shareholder(s)”	has the meaning ascribed to in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreements”	the equity transfer agreement (together with the supplemental agreement thereto) entered into between City Legend and Suzhou Wancheng on 10 May 2018;
“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;
“Joinder Agreement”	the joinder agreement to the Shareholders’ Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Long Stop Date”	the sixtieth (60th) day from the signing date of the Equity Transfer Agreements (or such other date as agreed by the parties to the Equity Transfer Agreements in writing);
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company;
“percentage ratio(s)”	has the meaning ascribed to in the Listing Rules;
“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;
“Share(s)”	Share(s) of the Company;
“Shareholders”	holders of the Share(s);
“Shareholders’ Agreement”	the amended and restated shareholders’ agreement dated 9 March 2018 entered into among the existing shareholders of the Target Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Suzhou Wancheng”	Suzhou Wan Cheng Sheng Da Travel Development Limited*(蘇州萬程晟達旅遊發展有限公司), a company incorporated in the PRC;
“Target Company”	a company incorporated in the Cayman Islands and owned as to 13.04% by BVI Subsidiary as at the date of this announcement;
“Target Group”	the Target Company together with its subsidiaries;
“Target Shares”	10,607,948 shares in the Target Company (representing approximately 5.11% equity interest of the Target Company) to be transferred to City Legend by Suzhou Wancheng pursuant to the Equity Transfer Agreements;
“USD”	United States Dollar, the lawful currency of the United States of America; and
“%”	per cent.

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
He Haibin
Chairman

Hong Kong, 10 May 2018

As at the date of this announcement, the Board of the Company comprises seven Directors, including three executive Directors namely Mr. He Haibin, Ms. Xie Mei and Mr. Lin Kaihua; one non-executive Director namely Mr. Zhang Jing; three independent non-executive Directors namely Mr. Lu Gong, Ms. Wong Wai Ling, and Mr. Lam Sing Kwong Simon.