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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 LIMITED PARTNERSHIP AGREEMENT

LIMITED PARTNERSHIP AGREEMENT

The Board is pleased to announce that on 7 November 2019, Shenzhen OCT Huaxin and Shenzhen Huajing, both of which are indirect wholly-owned subsidiaries of the Company, entered into the Limited Partnership Agreement with Yuzhou Fund Management and Xiamen Zhongmao in relation to the establishment of the Partnership for the purpose of investment.

The total capital contribution to be subscribed by all Partners to the Partnership is RMB1.5 billion. The capital contribution to be subscribed by Yuzhou Fund Management, Shenzhen OCT Huaxin, Shenzhen Huajing and Xiamen Zhongmao will be RMB1,000,000, RMB1,000,000, RMB1,168,000,000 and RMB330,000,000, respectively. Yuzhou Fund Management will be the executive partner, fund manager and general partner of the Partnership, Shenzhen OCT Huaxin will be the general partner, and Shenzhen Huajing and Xiamen Zhongmao will be limited partners.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the transaction contemplated under the Limited Partnership Agreement exceeds 25% but less than 100%, the transaction contemplated under the Limited Partnership Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

As no Shareholder has material interest in the Limited Partnership Agreement and the transaction 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 Limited Partnership Agreement and the transaction contemplated thereunder. The Company has obtained a written approval from Pacific Climax, which, as at the date of this announcement, held 530,894,000 Shares (representing approximately 70.94% of the issued share capital of the Company) for the approval of the Limited Partnership Agreement and the transaction contemplated thereunder in lieu of a resolution to be passed at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As such, no extraordinary general meeting will be convened by the Company to approve the Limited Partnership Agreement and the transaction contemplated thereunder.

In addition, a circular containing further details of the Limited Partnership Agreement and the transaction contemplated thereunder and such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 26 December 2019, which is more than 15 business days after the publication of this announcement, as more time is required for the preparation of certain information to be included in the circular.

INTRODUCTION

The Board is pleased to announce that on 7 November 2019, Shenzhen OCT Huaxin and Shenzhen Huajing, both of which are indirect wholly-owned subsidiaries of the Company, entered into the Limited Partnership Agreement with Yuzhou Fund Management and Xiamen Zhongmao in relation to the establishment of the Partnership for the purpose of investment.

LIMITED PARTNERSHIP AGREEMENT

Principal terms of the Limited Partnership Agreement are set out as follows:

Date

7 November 2019

Parties

- (1) Yuzhou Fund Management, as general partner, executive partner and fund manager;
- (2) Shenzhen OCT Huaxin, as general partner;
- (3) Shenzhen Huajing, as limited partner; and
- (4) Xiamen Zhongmao, as limited partner.

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, Yuzhou Fund Management and Xiamen Zhongmao and their respective ultimate beneficial owners are Independent Third Parties.

Name of the Partnership

廈門華僑城潤禹投資合夥企業(有限合夥) (Xiamen OCT Runyu Investment Partnership (Limited Partnership) (the final name of which is subject to the approval of the administrative department for industry and commerce).

Term of the Partnership

The term of the Partnership will be five (5) years from the date of registration of the Partnership, of which the first three (3) years will be the investment period and the last two (2) years will be the exit period.

Purpose of the Partnership

The purpose of the Partnership is to make equity investment of project companies and liquidity investment with a view to obtaining good investment returns for all the Partners.

The Partnership will invest mainly in non-publicly traded enterprise equity interests of non-listed companies.

Capital Contribution

The total capital contribution subscribed by all Partners to the Partnership is RMB1.5 billion. The amount and proportion of the capital contribution subscribed by each of the Partners are set out below:

Partners	Total subscribed capital contribution (RMB'000)	Proportion of the capital contribution
Yuzhou Fund Management	1,000	0.07%
Shenzhen OCT Huaxin	1,000	0.07%
Shenzhen Huajing	1,168,000	77.87%
Xiamen Zhongmao	330,000	22.00%
Total	1,500,000	100.00%

All the Partners shall pay up their respective capital contribution in cash within two years upon signing of the Limited Partnership Agreement. The actual amount of capital contribution will be subject to the capital actually paid up by the Partners.

The first paid-up capital will be RMB30,000,000 in total. Each Partner shall pay up their first contribution in proportion to their respective subscribed capital contribution in the Partnership within 30 working days from the date of signing of the Limited Partnership Agreement. The remaining capital contribution may be settled by the Partners in installments and in such manner and amount as agreed by all the Partners during the fund raising period.

The total amount of capital contribution to be made by each of the Partners to the Partnership was determined after arm's length negotiations between the Partners, with reference to, among other things, the projected capital requirements of the Partnership. The Group intends to finance its capital contribution by its internal resources and/or external financing.

Management of the Partnership

Yuzhou Fund Management, as executive partner, fund manager and general partners, is responsible for, among other things, filing registration of the Partnership, management of investment and other businesses of the Partnership, management and/or maintenance of the assets of the Partnership, appointment and removal of professional advisers as jointly decided by the general partners, and inquiry into the qualification of the transferee in case of transfer of the equity interest by any limited partner.

The limited partners shall not participate in management or exercise of any control in the investment of the Partnership or conducting any activity in the Partnership's name.

An investment committee of the Partnership will be set up to decide the investment, management and withdrawal of the Partnership and to apply the idle funds in value-added investment other than safe and liquid financial products such as bank deposit, currency market fund and banks' principal guarantee products. The investment committee consists of five members, two of whom shall be nominated by Yuzhou Fund Management and three of whom shall be nominated by Shenzhen OCT Huaxin. All the resolutions of the investment committee shall be passed with unanimous consent by all the members of the investment committee.

Partners' meeting

The Partners' meeting will be responsible for approving matters in relation to, among other things, change of business scope, principal place of business, fund manager, custodian, the rate of the management fee, the name of the fund, registered address, the organisation structure and matters related to profit distribution, change or extend the term of the Partnership, disposal of immovable asset, intellectual property and other property rights, provision of guarantee and compensation to third party in the name of the Partnership, determining the investment scope and strategy, appointment of management staff other than the Partners, approving the transfer of interest held by the executive partner, removal of the executive partner, and dissolution and winding-up of the Partnership.

The above matters (except for dissolution and winding-up of the Partnership) shall be resolved upon the consent of all the partners of the Partnership.

Management Fees

During the term of the Partnership, the executive partner shall be entitled to an annual management fee calculated at 0.2% of the paid-up capital of the Partnership.

Profit distribution and loss sharing

Profit distribution

The executive partner shall complete the distribution plan as approved at the partners' meeting within 30 days from the occurrence of the following event(s):

- (1) if, at the end of the investment period of the Partnership, the balance of the paid-up capital contribution which has not been applied for investment is more than RMB500,000, the portion that exceeds RMB500,000 shall be distributed to the Partners; or
- (2) if the Partnership receives any cash income from any investment.

The Partnership shall distribute all the investment income and other income after deducting the management fees and tax payable by the Partnership in the following order and manner:

- (1) to Shenzhen Huajing of the sum of the actual capital contribution paid by Shenzhen Huajing and the investment proceeds equal to an annualized rate of return of 11% on the actual capital contribution paid by Shenzhen Huajing;
- (2) if any balance left, to the Partners other than Shenzhen Huajing ("**Other Partners**") of an amount equal to the actual capital contribution of the respective Partners;
- (3) if any balance left, to Other Partners of the sum of the actual capital contribution paid by Other Partners and the investment proceeds equal to an annualized rate of return of 11% on the actual capital contribution paid by each of the Other Partners;
- (4) if any balance left, to Shenzhen Huajing.

Loss sharing

The Partners shall bear the losses up to their respective capital contributions subscribed by each Partner. If the total capital contributions are insufficient to cover the losses, the amount of losses that exceeds the total capital contributions shall be borne by the general partners in proportion to their respective capital contributions. For the avoidance of doubts, the limited partners shall have no right to demand the executive partner, general partners, fund manager or other related parties to refund the capital contributed by the limited partners.

Transfer of interest in the Partnership

Subject to the terms and conditions of the Limited Partnership Agreement, a limited partner may transfer its equity interest (in whole or in part) either to the existing executive partner (or its related party) or any of the existing limited partners or to the party as approved by the executive partner. If the intended transferee is the related party of the retiring Partner, the retiring Partner may transfer the equity interest to that intended transferee on conditions that the retiring Partner has notified other Partners in advance and other Partners have waived their pre-emptive right.

During the subsistence of the Partnership, the general partners shall not withdraw from or transfer its interest in the Partnership or change into limited partners before obtaining unanimous consent from all the Partners and bear any loss incurred therefrom.

INFORMATION ON THE GROUP

The principal business activity of the Company is investment holding. The Group is principally engaged in the comprehensive development business (including the development and operation of tourism theme park, developed and sold residential properties, construction contract, development and management of properties, and property investment) and investment in the new urbanization industrial ecosphere business.

Shenzhen Huajing is an indirect wholly-owned subsidiary of the Company, which is established under the laws of the PRC with limited liability. It is principally engaged in investment and enterprise management consulting.

Shenzhen OCT Huaxin is an indirect wholly-owned subsidiary of the Company, which is established under the laws of the PRC with limited liability. It is principally engaged in equity investment, fund management, investment management and entrusted asset management.

INFORMATION ON YUZHOU FUND MANAGEMENT AND XIAMEN ZHONGMAO

Yuzhou Fund Management is a company established under the laws of the PRC with limited liability and is wholly owned by 上海港澤貿易有限公司 (Shanghai Gangze Trading Co., Ltd.), which, based on the National Enterprise Credit Information Publicity System of the PRC, is owned by two natural persons who, to the best of the knowledge of the Directors, are Independent Third Parties. Yuzhou Fund Management was registered as a private equity fund manager in the Asset Management Association of China and has extensive experience in investment management in immovable property funds where the immovable properties were mainly located in Yangtze Delta and the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”) and equity funds.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Yuzhou Fund Management is in compliance with all material PRC licensing requirements necessary for its operations, including the management of the Partnership.

Xiamen Zhongmao is a company established under the laws of the PRC with limited liability and is wholly owned by 廈門瀟洲商貿有限公司 (Xiamen Luzou Trading Co., Ltd.), which, based on the National Enterprise Credit Information Publicity System of the PRC, is owned by two natural persons who, to the best of the knowledge of the Directors, are Independent Third Parties. It is principally engaged in wholesale of hardware, mechanical equipment and electronic products, and investments in primary industries, secondary industries and tertiary industries (except as otherwise regulated by laws and regulations).

REASONS FOR AND BENEFIT OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT

Given the solid experience and qualification of Yuzhou Fund Management in capital investments and acquisitions in the PRC, the Directors believe that the Partnership will enable the Group to obtain resources of high-quality urbanization projects and further expand its investment in the new urbanization industrial ecosphere business in Yangtze Delta and Greater Bay Area. The investment is in line with the Group’s strategy.

Having considered the above, the Directors are of the view that the terms of the Limited Partnership Agreement are on normal commercial terms that are fair and reasonable, and the Limited Partnership Agreement is in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

“Board”	the board of directors of the Company
“Business Day(s)”	a day on which licensed banks in the PRC are open for business
“Company”	Overseas Chinese Town (Asia) Holdings Limited (華僑城(亞洲)控股有限公司), 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	parties independent of and not connected with the Company and its connected persons
“Limited Partnership Agreement”	the partnership agreement dated 7 November 2019 entered into among Yuzhou Fund Management, Shenzhen OCT Huaxin, Shenzhen Huajing and Xiamen Zhongmao in relation to the formation of the Partnership
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“related party(ies)”	a person or entity who has control, joint control, or significant influence over the relevant entity, or the other person or entity who is controlled, jointly controlled, or significantly influenced by the same person or entity
“Shenzhen Huajing”	深圳市華京投資有限公司 (Shenzhen Huajing Investment Limited), a company established in the PRC and an indirect wholly owned subsidiary of the Company
“Shenzhen OCT Huaxin”	深圳市華僑城華鑫股權投資管理有限公司 (Shenzhen OCT Huaxin Equity Investment Management Limited), a company established in the PRC and an indirect wholly owned subsidiary of the Company
“Partners”	Yuzhou Fund Management, Shenzhen OCT Huaxin, Shenzhen Huajing and Xiamen Zhongmao
“Partnership”	廈門華僑城潤禹投資合夥企業(有限合夥) (Xiamen OCT Runyu Investment Partnership (Limited Partnership)), (the final name of which is subject to the approval of the administrative department for industry and commerce), a limited partnership to be established in the PRC
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xiamen Zhongmao”	廈門中茂益通商貿有限公司 (Xiamen Zhongmao Yitong Commerce Co., Ltd.), a company established in the PRC
“Yuzhou Fund Management”	深圳前海禹舟基金管理有限公司 (Shenzhen Qianhai Yuzhou Fund Management Co., Ltd.), a company established in the PRC
“%”	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.

By the order of the Board
Overseas Chinese Town (Asia) Holdings Limited
He Haibin
Chairman

Hong Kong, 7 November 2019

As at the date of this announcement, the Board comprises seven Directors, namely: Mr. He Haibin, Ms. Xie Mei and Mr. Lin Kaihua as executive Directors; Mr. Zhang Jing as non-executive Director; Ms. Wong Wai Ling, Mr. Lam Sing Kwong Simon and Mr. Chu Wing Yiu as independent non-executive Directors.