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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

FURTHER DISPOSAL OF LISTED SECURITIES IN TONGCHENG-ELONG

THE EIGHTH DISPOSAL

The Board announces that City Legend further disposed on-market an aggregate of 11,748,400 Tongcheng-Elong Shares in a series of transactions between 18 February 2021 and 19 February 2021, at the average selling price of approximately HK\$16.95 per Tongcheng-Elong Share. The aggregate gross sale proceeds from the Eighth Disposal were approximately HK\$199 million (equivalent to approximately RMB166 million).

LISTING RULE IMPLICATIONS

Since the Eighth Disposal was conducted within 12 months of the completion of the Fifth Disposal, the Sixth Disposal and the Seventh Disposal, the Eighth Disposal is required to be aggregated with the Fifth Disposal, the Sixth Disposal and the Seventh Disposal as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposals (in aggregate) exceeds 25% but less than 75%, the Eighth Disposal (when aggregated with the Fifth Disposal, the Sixth Disposal and the Seventh Disposal) constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement requirements and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no Shareholder has a material interest in the Disposals, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposals. 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 Disposals 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 Disposals.

A circular containing further details of the Disposals and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 12 March 2021.

BACKGROUND

Reference is made to the announcements of the Company dated 28 August 2020, 11 November 2020, 17 November 2020, and 20 November 2020 in relation to the Previous Major Disposals, the announcement of the Company dated 2 December 2020 in relation to the Fifth Disposal, the announcement of the Company dated 18 December 2020 in relation to the Sixth Disposal and, the announcement of the Company dated 17 February 2021 in relation to the Seventh Disposal.

City Legend, a wholly-owned subsidiary of the Company, had disposed on-market of an aggregate of 40,177,200 Tongcheng-Elong Shares in a series of transactions conducted between 27 August 2020 and 17 February 2021.

THE EIGHTH DISPOSAL

The Board announces that City Legend further disposed on-market an aggregate of 11,748,400 Tongcheng-Elong Shares in a series of transactions between 18 February 2021 and 19 February 2021, at the average selling price of approximately HK\$16.95 per Tongcheng-Elong Share. The aggregate gross sale proceeds from the Eighth Disposal were approximately HK\$199 million (equivalent to approximately RMB166 million).

As the Eighth Disposal was made on the market, the Company is not aware of the identities of the purchasers of the Tongcheng-Elong Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the Tongcheng-Elong Shares and their ultimate beneficial owners are Independent Third Parties.

Assets disposed

The Group disposed of a total of 11,748,400 Tongcheng-Elong Shares at the average selling price of approximately HK\$16.95 per Tongcheng-Elong Share for the Eighth Disposal. Before the Eighth Disposal, the Group held a total of 65,902,280 Tongcheng-Elong Shares, representing approximately 3.02% of the issued share capital of Tongcheng-Elong (calculated based on the 2,181,721,383 Tongcheng-Elong Shares issued by Tongcheng-Elong as at 31 January 2021 according to the monthly return of Tongcheng-Elong dated 3 February 2021). Immediately after the Eighth Disposal, the Group holds 54,153,880 Tongcheng-Elong Shares, representing approximately 2.48% of the issued share capital of Tongcheng-Elong as at 31 January 2021.

Consideration

The aggregate gross sale proceeds of the Eighth Disposal were approximately HK\$199 million (equivalent to approximately RMB166 million), which is receivable in cash on settlement. The consideration for the Eighth Disposal represented the market price of the Tongcheng-Elong Shares at the time of the Eighth Disposal.

INFORMATION OF THE GROUP AND CITY LEGEND

The Company is an investment holding company and the Group is principally engaged in comprehensive development, equity investment and fund management businesses. The comprehensive development business involves the development and sale of residential properties, the development and management of commercial properties, and the development and operation of tourism projects. The equity investment and fund management businesses involve private equity investments.

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

INFORMATION ON TONGCHENG-ELONG

Tongcheng-Elong is an exempted company incorporated in the Cayman Islands with limited liability. It is principally engaged in the provision of travel products and services in the PRC's online travel industry. Their products and services include accommodation reservation, transportation ticketing, attractions ticketing and various ancillary value-added products and services.

The following financial information of Tongcheng-Elong is extracted from the annual reports of Tongcheng-Elong for the two years ended 31 December 2018 and 31 December 2019, and the interim report of Tongcheng-Elong for the six months ended 30 June 2020:

	For the year ended		For the six
	31 December		months
	2018	2019	ended 30
	(audited)	(audited)	June 2020
	<i>RMB'000</i>	<i>RMB'000</i>	(unaudited)
			<i>RMB'000</i>
Profit before tax	601,526	881,511	56,993
Profit after tax	534,539	686,522	55,128

The unaudited net assets of Tongcheng-Elong as at 30 June 2020 as disclosed in the interim report of Tongcheng-Elong for the six months ended 30 June 2020 was approximately RMB13,414,564,000.

REASONS FOR AND BENEFIT OF THE EIGHTH DISPOSAL

The Group estimates that based on the difference between the average acquisition price of approximately RMB11.09 per share and the average selling price of approximately HK\$16.95 (equivalent to approximately RMB14.14) per share of the 11,748,400 Tongcheng-Elong Shares disposed of in the Eighth Disposal, there will be a total gain of approximately RMB35.7 million from the Eighth Disposal included in other comprehensive income. The Board intends to apply the net proceeds from the Eighth Disposal as working capital.

The Eighth Disposal was made at market price and the Board is of the view that the Eighth Disposal is conducted in the ordinary course of the Group's equity investment and fund management businesses. The Eighth Disposal is fair and reasonable and on normal commercial terms. Having considered that the Eighth Disposal can realise a portion of the Company's investments and enhance the liquidity of the Company, the Board considers that the Eighth Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE EIGHTH DISPOSAL

The Group is expected to recognize in its consolidated statement of comprehensive income a total gain before taxation included in the other comprehensive income for the Eighth Disposal of approximately RMB17 million, which is calculated based on the difference between the gross sale proceeds of these disposals of approximately RMB166 million, and the sum of (i) the carrying amount as at 31 December 2020 of approximately RMB148 million of the 11,748,400 Tongcheng-Elong Shares disposed of in the Eighth Disposal, which is classified as equity investment designated at fair value through other comprehensive income and (ii) the relevant transaction costs.

Shareholders should note that the financial effect shown above is for reference only and the actual amount of gain or loss resulting from the Eighth Disposal will eventually be recognised in the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

Since the Eighth Disposal was conducted within 12 months of the completion of the Fifth Disposal, the Sixth Disposal and the Seventh Disposal, the Eighth Disposal is required to be aggregated with the Fifth Disposal, the Sixth Disposal and the Seventh Disposal as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposals (in aggregate) exceeds 25% but less than 75%, the Eighth Disposal (when aggregated with the Fifth Disposal, the Sixth Disposal and the Seventh Disposal) constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement requirements and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no Shareholder has a material interest in the Disposals, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposals. 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 Disposals 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 Disposals.

A circular containing further details of the Disposals and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 12 March 2021.

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

“Board”	the board of directors of the Company
“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 a wholly-owned subsidiary of the Company
“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
“Directors”	the directors of the Company
“Disposals”	the Fifth Disposal, the Sixth Disposal, the Seventh Disposal and the Eighth Disposal
“Eighth Disposal”	the disposal by the Company of an aggregate of 11,748,400 Tongcheng-Elong Shares on-market in a series of transactions between 18 February 2021 and 19 February 2021
“Fifth Disposal”	the disposal by the Company of an aggregate of 6,435,600 Tongcheng-Elong Shares on-market in a series of transactions between 23 November 2020 and 2 December 2020, details of which are set out in the Company’s announcement dated 2 December 2020

“First Disposal”	the disposal by the Company of an aggregate of 5,919,600 Tongcheng-Elong Shares on-market in a series of transactions between 27 August 2020 and 28 August 2020, details of which are set out in the Company’s announcement dated 28 August 2020
“Fourth Disposal”	the disposal by the Company of an aggregate of 8,201,200 Tongcheng-Elong Shares on-market in a series of transactions between 18 November 2020 and 20 November 2020, details of which are set out in the Company’s announcement dated 20 November 2020
“Group”	the Company and its subsidiaries as at the date of this announcement
“HK\$”	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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“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
“Previous Major Disposals”	the First Disposal, the Second Disposal, the Third Disposal, and the Fourth Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Second Disposal”	the disposal by the Company of an aggregate of 5,192,800 Tongcheng-Elong Shares on-market in a series of transactions between 31 August 2020 and 11 November 2020, details of which are set out in the Company’s announcement dated 11 November 2020

“Seventh Disposal”	the disposal by the Company of an aggregate of 4,647,600 Tongcheng-Elong Shares on-market in a series of transactions between 21 December 2020 and 17 February 2021, details of which are set out in the Company’s announcement dated 17 February 2021
“Shareholder(s)”	the shareholders of the Company
“Sixth Disposal”	the disposal by the Company of an aggregate of 4,407,600 Tongcheng-Elong Shares on-market in a series of transactions between 3 December 2020 and 18 December 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Disposal”	the disposal by the Company of an aggregate of 5,372,800 Tongcheng-Elong Shares on-market in a series of transactions between 12 November 2020 and 17 November 2020, details of which are set out in the Company’s announcement dated 17 November 2020
“Tongcheng-Elong”	Tongcheng-Elong Holdings Limited (同程藝龍控股有限公司), 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 (stock code: 0780)
“Tongcheng-Elong Shares”	the shares of Tongcheng-Elong
“%”	per cent

By the order of the Board
Overseas Chinese Town (Asia) Holdings Limited
Zhang Dafan
Chairman

Hong Kong, 19 February 2021

Unless otherwise specified in this announcement, the exchange rate of HK\$1.00 = RMB0.834 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.

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