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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)

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2011

RESULTS

The board (the “Board”) of directors (“Directors”) of Overseas Chinese Town (Asia) Holdings Limited (the “Company”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2011 prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), together with the comparative figures for the year ended 31 December 2010.

Audited financial information of the Group for the year ended 31 December 2011 prepared in accordance with the HKFRSs are as follows:

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2011

(Expressed in Renminbi)

	Note	2011 RMB'000	2010 RMB'000
Turnover	4	2,558,860	1,905,792
Cost of sales		<u>(1,786,190)</u>	<u>(1,646,418)</u>
Gross profit		<u>772,670</u>	<u>259,374</u>
Other revenue		11,676	7,212
Other net income		24,057	5,851
Distribution costs		(160,648)	(84,336)
Administrative expenses		(126,268)	(59,325)
Other operating expenses		<u>(1,832)</u>	<u>(2,056)</u>
Profit from operations		519,655	126,720
Finance costs	6	(55,486)	(26,259)
Share of profit less loss of associates		36,366	(1,040)
Gain on remeasurement of the previously held interest in an associate		<u>—</u>	<u>38,890</u>
Profit before taxation	6	500,535	138,311
Income tax	7	<u>(231,582)</u>	<u>(52,428)</u>
Profit for the year		<u>268,953</u>	<u>85,883</u>
Attributable to:			
Equity shareholders of the Company		159,236	66,713
Non-controlling interests		<u>109,717</u>	<u>19,170</u>
Profit for the year		<u>268,953</u>	<u>85,883</u>
Dividend payable to equity shareholders of the Company attributable to the year			
Proposed final dividend after the end of the reporting period	8	<u>30,168</u>	<u>13,190</u>
Earnings per share (RMB)	9		
Basic		<u>0.31</u>	<u>0.15</u>
Diluted		<u>0.31</u>	<u>0.15</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

(Expressed in Renminbi)

	<i>Note</i>	2011 RMB'000	2010 <i>RMB'000</i>
Profit for the year		268,953	85,883
Other comprehensive income for the year (after tax and reclassification adjustments)			
Exchange differences on translation of:			
– financial statements of overseas subsidiaries		(756)	2,042
Total comprehensive income for the year		268,197	87,925
Attributable to:			
Equity shareholders of the Company		158,480	68,755
Non-controlling interests		109,717	19,170
Total comprehensive income for the year		268,197	87,925

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2011

(Expressed in Renminbi)

	<i>Note</i>	2011 RMB'000	2010 RMB'000
Non-current assets			
Fixed assets			
– Investment property		565,953	513,647
– Other property, plant and equipment		1,400,463	1,414,971
– Interests in leasehold land held for own use under operating leases		726,263	776,481
		2,692,679	2,705,099
Intangible assets		221	182
Goodwill		266,625	266,625
Interest in an associate		80,934	44,568
Other financial assets		4,320	4,320
Deferred tax assets		95,761	53,439
		3,140,540	3,074,233
Current assets			
Inventories		2,015,536	1,681,962
Trade and other receivables	<i>10</i>	300,055	266,171
Cash and cash equivalents		748,393	1,005,358
		3,063,984	2,953,491
Current liabilities			
Trade and other payables	<i>11</i>	1,918,981	1,638,310
Receipts in advance		601,037	667,473
Bank loans		92,068	44,105
Related party loans		–	361,632
Current taxation		124,160	87,869
		2,736,246	2,799,389
Net current assets		327,738	154,102
Total assets less current liabilities		3,468,278	3,228,335

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Non-current liabilities		
Bank loans	81,070	28,562
Related party loans	1,044,548	1,100,000
Deferred tax liabilities	52,522	56,267
	<u>1,178,140</u>	<u>1,184,829</u>
NET ASSETS	<u>2,290,138</u>	<u>2,043,506</u>
CAPITAL AND RESERVES		
Share capital	48,274	47,964
Reserves	1,529,627	1,371,032
Total equity attributable to equity shareholders of the Company	1,577,901	1,418,996
Non-controlling interests	<u>712,237</u>	<u>624,510</u>
TOTAL EQUITY	<u>2,290,138</u>	<u>2,043,506</u>

Notes:

1. REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company has reviewed the financial results for the year ended 31 December 2011.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2011 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS OF THE COMPANY

The consolidated financial statements for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKAS 24 (revised 2009), Related party disclosures
- Improvements HKFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The impacts of the above developments are discussed below:

- HKAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous period. HKAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. The disclosures about the Group's related parties have been conformed to the amended disclosure requirements.
- *Improvements to HKFRSs (2010)* omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, *Financial instruments: Disclosures*. The disclosures about the Group's financial instruments have been conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements in the current and previous periods.

4. TURNOVER

The principal activities of the Group are comprehensive development and manufacturing and sale of paper carton and products.

Turnover represents the sales value of goods or services supplied to customers (net of value-added tax and business tax), including the sales of properties, rental income from investment properties, ticket sales from theme park and sales of paper carton and products as follows:

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Comprehensive development business	1,743,970	1,128,377
Sales of paper cartons and products	814,890	777,415
	<u>2,558,860</u>	<u>1,905,792</u>

The Group's customer base is diversified and there was no customer with whom transactions exceeded 10% of the Group's revenues in 2011.

5. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Comprehensive development business: this segment engaged in the development and operation of tourism theme park, developed and sold residential properties, and development and management of properties.
- Manufacture and sale of paper cartons and products: this segment engaged in the manufacture and sale of paper cartons and products.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets. Segment liabilities include trade creditors, accruals and bills payable attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment result is "net profit". Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Starting from 2011, to arrive at the net profit of each segment, expenses not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs, were allocated to each individual segment in proportion to its turnover. Previous year's segment information was restated accordingly.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2011 and 2010 is set out below.

	Comprehensive development business		Manufacture and sale of paper carton and products		Total	
	2011	2010	2011	2010	2011	2010
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	1,743,970	1,128,377	814,890	777,415	2,558,860	1,905,792
Inter-segment revenue	—	—	—	—	—	—
Reportable segment revenue	1,743,970	1,128,377	814,890	777,415	2,558,860	1,905,792
Reportable segment net profit	129,593	42,693	29,643	24,020	159,236	66,713
Interest income from bank deposits	8,811	3,159	2,074	1,964	10,885	5,123
Interest expense	53,562	24,486	1,924	1,773	55,486	26,259
Depreciation and amortisation for the year	129,641	31,014	38,035	38,732	167,676	69,746
Reportable segment assets	5,337,423	5,173,040	867,101	854,684	6,204,524	6,027,724
Additions to non-current segment assets during the year	92,410	54,764	19,252	59,651	111,662	114,415
Reportable segment liabilities	3,546,354	3,625,838	368,032	358,380	3,914,386	3,984,218

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2011 RMB'000	2010 RMB'000
Revenue		
Reportable segment revenue	2,558,860	1,905,792
Elimination of inter-segment revenue	<u>—</u>	<u>—</u>
Consolidated turnover	<u>2,558,860</u>	<u>1,905,792</u>
Profit		
Reportable segment profit	159,236	66,713
Elimination of inter-segment profits	<u>—</u>	<u>—</u>
Reportable segment profit derived from group's external customers	<u>159,236</u>	<u>66,713</u>
Consolidated net profit	<u>159,236</u>	<u>66,713</u>
Assets		
Reportable segment assets	<u>6,204,524</u>	<u>6,027,724</u>
Consolidated total assets	<u>6,204,524</u>	<u>6,027,724</u>
Liabilities		
Reportable segment liabilities	<u>3,914,386</u>	<u>3,984,218</u>
Consolidated total liabilities	<u>3,914,386</u>	<u>3,984,218</u>

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Interest on bank loans	1,924	2,333
Interest on related party loans	<u>59,791</u>	<u>26,801</u>
Total interest expense on financial liabilities not at fair value through profit or loss	61,715	29,134
Less: interest expense capitalised into properties under development*	<u>(6,229)</u>	<u>(2,875)</u>
	<u><u>55,486</u></u>	<u><u>26,259</u></u>

* The borrowing costs have been capitalised at a rate of 3.50% – 4.44% per annum (2010: 2.88% – 4.86%).

(b) Staff costs:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Contributions to defined contribution retirement schemes	10,793	5,107
Salaries, wages and other benefits	122,516	78,789
Equity-settled share-based payment expenses	<u>9,241</u>	<u>—</u>
	<u><u>142,550</u></u>	<u><u>83,896</u></u>

(c) Other items:

	2011 RMB'000	2010 RMB'000
Amortisation of intangible assets [#]	34	21
Depreciation [#]		
– investment property	20,819	4,837
– pre-paid interest in leasehold land classified as being under an operating leases	20,746	6,660
– other assets	126,111	58,228
Impairment losses [#]		
– trade and other receivables	2,533	424
Operating lease charges in respect of properties [#]	19,764	12,272
Net exchange gain	(20,026)	(6,670)
Auditors' remuneration		
– audit services	1,896	1,800
– other services	–	30
Rentals receivable from investment properties less direct outgoings of RMB16,988,000 (2010: RMB4,930,000)	2,285	1,778
Cost of inventories [#]	<u>1,560,808</u>	<u>1,415,712</u>

[#] Cost of inventories included RMB202,420,000 (2010: RMB137,269,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in notes 6(b) and 6(c) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2011 RMB'000	2010 RMB'000
Current tax		
– PRC corporate income tax	134,414	50,393
– PRC land appreciation tax	143,235	34,183
	<u>277,649</u>	<u>84,576</u>
Deferred tax		
Origination and reversal of temporary differences	(46,067)	(32,148)
	<u>(46,067)</u>	<u>(32,148)</u>
	<u><u>231,582</u></u>	<u><u>52,428</u></u>

(i) *Corporate income tax (“CIT”)*

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands during the year (2010: Nil).

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax during the year (2010: Nil).

Pursuant to the income tax rules and regulations of the PRC, taxation for PRC subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant cities in the PRC, which range between 24% – 25% (2010: 22% – 25%). Certain subsidiaries are entitled to a tax concession period in which it is fully exempted from PRC income tax for two years, starting from its first profit-making year, followed by a 50% reduction in the PRC income tax for the next three years (“two years free and three years half”).

According to the Corporate Income Tax Law of the PRC and Circular 39, the income tax rate of certain PRC subsidiaries are reduced from 33% to 25% from 1 January 2008; the tax rate of certain PRC subsidiaries are gradually increased from 15% to 25% over a five-year transitional period (18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012 and thereafter). If a PRC subsidiary has not become profit-making and enjoyed the two years free and three years half tax concession period before 2008, the PRC subsidiary can enjoy the tax concession period from 2008 and onward.

Additionally, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and jurisdiction of the foreign investors. According to the tax treaty between Hong Kong Special Administrative Region and PRC for avoidance of double taxation and prevention of tax evasion, dividends from declared from PRC subsidiaries to Hong Kong holding companies are subject to 5% withholding income tax from 1 January 2008 and onwards.

(ii) PRC Land Appreciation Tax (“LAT”)

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, which is included in the consolidated statements of comprehensive income as income tax. The Group has estimated the tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

8 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2011 RMB'000	2010 RMB'000
Final dividend proposed after the end of the reporting period of HK\$7.30 cents per ordinary share (equivalent RMB5.93 cents per share) (2010: HK\$3.00 cents per share (equivalent RMB2.61 cents per share))	<u>30,168</u>	<u>13,190</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payables to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2011 RMB'000	2010 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$3 cents per share (equivalent RMB2.61 cents per share) (2010: HK\$2.36 cents per share (equivalent RMB2.08 cents per share))	<u>13,190</u>	<u>7,205</u>

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB159,236,000 (2010: RMB66,713,000) and the weighted average of 507,890,932 (2010: 437,561,343) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2011 <i>No. of shares</i>	2010 <i>No. of shares</i>
Issued ordinary shares at 1 January	505,360,000	346,750,000
Effect of ordinary shares issue	–	88,584,658
Effect of share option exercised	<u>2,530,932</u>	<u>2,226,685</u>
Weighted average number of ordinary shares at 31 December	<u><u>507,890,932</u></u>	<u><u>437,561,343</u></u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB159,236,000 (2010: RMB66,713,000) and the weighted average number ordinary shares of 509,024,757 shares (diluted) (2010: 443,632,995) calculated as follows:

Weighted average number of ordinary shares (diluted)

	2011 <i>No. of shares</i>	2010 <i>No. of shares</i>
Weighted average number of ordinary shares at 31 December	507,890,932	437,561,343
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<u>1,133,825</u>	<u>6,071,652</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u><u>509,024,757</u></u>	<u><u>443,632,995</u></u>

10 TRADE AND OTHER RECEIVABLES

	The Group	
	2011	2010
	RMB'000	RMB'000
Trade receivables and bills receivable:		
Amounts due from fellow subsidiaries	49,780	55,131
Amounts due from third parties	183,073	147,345
Less: allowance for doubtful debts	(8,232)	(6,387)
	224,621	196,089
Prepayment, deposits and other receivables		
Amounts due from fellow subsidiaries	894	1,135
Amounts due from third parties	74,540	68,947
	300,055	266,171

The amounts due from subsidiaries and fellow subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

Apart from rental deposits of RMB11,693,000 (2010: RMB10,502,000) which are expected to be recovered after one year, all of the trade and other receivables, net of impairment losses for bad and doubtful debts, are expected to be recovered within one year.

Included in trade and other receivables are trade and bills receivable (net of allowance for doubtful debts) with the following ageing analysis as of the end of the reporting period.

	The Group	
	2011	2010
	RMB'000	RMB'000
Current	207,954	162,406
Less than 3 months past due	16,437	27,923
More than 3 months but less than 12 months pass due	230	5,760
Amount past due	16,667	33,683
	224,621	196,089

In respect of receivables of mortgage sales, no credit terms will be granted to the purchasers. In addition, the group did not provide any guarantee to the banks to secure repayment obligations of such purchasers. In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. For paper carton business trade receivables are due within 60-120 days from the date of billing. Debtors with balances that are more than 1 month past due are requested to settle all outstanding balances before any further credit is granted. Normally, the group does not obtain collateral from customers.

11 TRADE AND OTHER PAYABLES

	The Group	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables and bills payable:		
Amounts due to fellow subsidiaries	1,159	1,564
Amounts due to third parties	865,456	757,809
	866,615	759,373
Other payables and accruals:		
Amounts due to fellow subsidiaries	16,607	15,916
Amounts due to third parties	1,035,759	863,021
	1,918,981	1,638,310

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the end of the reporting period:

	The Group	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Due within 3 months or on demand	866,615	722,419
Due after 3 months but less than 1 year	–	36,954
	866,615	759,373

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER

The Register of Members of the Company will be closed from 5 April 2012 to 11 April 2012 (both days inclusive), for the purpose of determining shareholders' entitlement to attend the forthcoming annual general meeting (the "Annual General Meeting"), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the Annual General Meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, No.183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on 3 April 2012.

The Board has resolved to recommend the payment of a final dividend of HK\$7.3 cents per share for shareholders whose names appear on the Register of Members of the Company on 20 April 2012. The Register of Members will be closed from 18 April 2012 to 20 April 2012, both days inclusive, and the proposed final dividend is expected to be paid on 28 June 2012. The payment of dividends shall be subject to the approval of the shareholders at the Annual General Meeting to be held on 11 April 2012. In order to be qualified for the proposed dividend, shareholders should deliver share certificates together with transfer documents to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 17 April 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the Group achieved satisfactory operating results leveraging on its extensive experience and quality products under sluggish economic environment and weak market demand. As of 31 December 2011, the Group recorded a turnover of approximately RMB2,559 million, representing an increase of approximately 34.3% over the same period of 2010; profits attributable to shareholders were approximately RMB159 million, representing an increase of approximately 138.7% over the same period of 2010.

Comprehensive development Business

The equity interests of Chengdu Tianfu OCT Industry Development Company Limited ("Chengdu OCT") and Overseas Chinese Town (Xi'an) Industry Company Limited ("Xi'an OCT") were held as to 51% and 25% respectively by the Group.

Chengdu OCT Project is located in Jinniu District, Chengdu City, Sichuan Province, the PRC which is to be developed into a composite project, comprising a theme park, residential and commercial properties, occupying a gross floor area of approximately 2,250,000 sq.m.. During the period under review, Chengdu OCT recorded a turnover of approximately RMB1,740 million, representing an increase of approximately 5.5% over the same period of 2010. The residential property project of Chengdu OCT has a gross saleable floor area of approximately 1,260,000 sq.m.. The high-level portion of Phase III

and Phase IV of the residential property project is currently on sale. In 2011, the contract sales area and revenue of the residential property project reached approximately 132,000 sq.m. and approximately RMB1,652 million respectively, while the settled area and revenue recorded were approximately 140,000 sq.m. and approximately RMB1,595 million respectively. By the end of 2011, the contracted but not settled area and revenue amounted to approximately 82,000 sq.m. and approximately RMB860 million respectively. In February 2011, the government of Chengdu Municipality promulgated a series of house purchase limit policies. In response to the new market condition, Chengdu OCT had expanded promotion network and adjusted its sales policy in a timely manner which resulted in an increase of approximately 13% in contract sales volume over the same period of 2010. The current rentable area of the commercial properties of Chengdu OCT is approximately 47,000 sq.m., of which 99% have been occupied. Chengdu Happy Valley, a theme park of Chengdu OCT, is one of the most influential theme parks in the southwestern part of China. It has attracted approximately 2.44 million visitors throughout the period under review, representing an increase of approximately 10% over the same period of 2010. With the adjustment to the entrance fee of Chengdu Happy Valley from May 2011, it recorded a turnover of approximately RMB218 million during the period under review, representing an increase of approximately 8% over the same period of 2010.

Xi'an OCT Project is located in Qujiang New District, Xi'an City, Shanxi Province. It adjoins several famous scenic spots and comprises mainly low-density residential properties. This project began to bring in positive contributions to the Group's investment income in 2011. During the period under review, part of the project has been launched, including duplex, compound and detached buildings, and the market reaction to the pre-sale was very positive. The contract sales area and revenue reached approximately 41,800 sq.m. and approximately RMB810 million respectively. The settled area and revenue were approximately 40,600 sq.m. and approximately RMB776 million respectively, while the contracted but not settled area and revenue amounted to approximately 1,200 sq.m. and approximately RMB34 million respectively. At the end of June 2011, Xi'an OCT acquired two more parcels of land neighbouring the original land, adding the total site area to approximately 137,000 sq.m..

Paper Packaging Business

The Group has over 20 years of experience in the packaging and printing industry. It has set up four manufacturing bases and several branches in Pearl River Delta and Yangtze River Delta, the most developed areas in China, and has created the brand of "Huali" with solid customer base and good market reputation. During the period under review, our paper packaging business recorded a turnover of RMB815 million, representing an increase of approximately 4.9% over the same period of 2010. Profits attributable to shareholders amounted to approximately RMB29.64 million, representing an increase of approximately 23.4% over the same period of 2010.

During the period under review, despite the Japan earthquake and the fluctuation in the economy of Europe and the United States of America, the Group still achieved an annual production of approximately 152,000 tones by adopting a number of strategies. The average selling price for the products had been stable throughout the year. Our manufacturing base in Huizhou City continued to explore famous brand clients and had rapidly achieved relatively stable sales volume. Meanwhile, the two new branches located in Wuhan City, Hubei Province and Kunshan City, Jiangsu Province also sped up their efforts in

exploring markets in the neighbouring regions, actively expanding our business reach. At the same time of launching new products, the Group had enhanced the integration with the creative culture sector to strengthen the creative elements of our products, and our paper culture creative products were elected as one of the key projects under the “12th Five Year Plan” for the culture sector of Guangdong Province. In addition, the Group launched trial run for the VMI (Vendor Managed Inventory) management model in some plants to improve its customer services and enhance its competitiveness.

OPERATING RESULTS

As at 31 December 2011, the Group’s total assets amounted to RMB6,205 million. Total equity amounted to RMB2,290 million, representing an increase of approximately 12.0% over that as at 31 December 2010. The Group realized sales of RMB2,559 million in 2011, representing an increase of approximately 34.3% over 2010. Profits attributable to equity holders of the Company were RMB159 million, representing an increase of approximately 138.7% over 2010. The basic earnings per share for the year were RMB0.31, as compared to RMB0.15 for 2010.

During the period under review, gross profit margin of the Group was approximately 30.2% (2010: approximately 13.6%), representing an increase of 16.6% over the same period in 2010. Of which, the gross profit margin of the comprehensive development business was approximately 38.5%, representing an increase of 24.3% over the same period in 2010, mainly due to higher margin in the types of properties sold and less amortisation of the fair value markup from the acquisition of Chengdu OCT in 2011; and the gross profit margin of the paper packaging business was approximately 12.5%, representing a decrease of 0.2% over the same period in 2010. Net profit margin attributable to equity holders of the Company was approximately 6.2% (2010: approximately 3.5%), representing an increase of 2.7% as compared with that of 2010. Of which, the net profit margin attributable to equity holders of the comprehensive development business was approximately 7.4%, representing an increase of 3.6% over the same period in 2010; and the net profit margin attributable to equity holders of the paper packaging business was approximately 3.6%, representing an increase of 0.5% over the same period in 2010.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total equity of the Group as at 31 December 2011 was RMB2,290 million (31 December 2010: RMB2,044 million). As at 31 December 2011, the Group had current assets of RMB3,064 million (31 December 2010: RMB2,953 million) and current liabilities of RMB2,736 million (31 December 2010: RMB2,799 million). The current ratio was 1.12 as at 31 December 2011 as compared to 1.06 as at 31 December 2010. The Group generally finances its operations with internally generated funds and credit facilities provided by banks.

As at 31 December 2011, the Group had outstanding bank loans of RMB173 million, without any fixed-rate loans (31 December 2010: outstanding bank loans of RMB72.67 million; without any fixed-rate loans). As at 31 December 2011, the bank loan interest rates of the Group ranged from 0.99% to 2.33% per annum (while for the year ended 31 December 2010, the bank loan interest rates of the Group ranged from 0.95% to 1.52% per annum). Some of those bank loans were secured by corporate

guarantees provided by certain subsidiaries of the Company. The Group's gearing ratio (being the total borrowings including bills payable and loans divided by total assets) was approximately 20% as at 31 December 2011, which decreased by approximately 7% as compared with 27% as at 31 December 2010.

As at 31 December 2011, 100% of the total amount of outstanding bank loans of the Group was in Hong Kong Dollars (31 December 2010: approximately 100% in Hong Kong Dollars). As at 31 December 2011, approximately 91% of the total amount of cash and cash equivalents of the Group was in Renminbi (31 December 2010: 98%), approximately 8% of its cash and cash equivalents was in Hong Kong Dollars (31 December 2010: 2%) and approximately 1% of its cash and cash equivalents was in United States Dollars (31 December 2010: 0%).

The Group's liquidity position remains stable and the Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements. The Group's transactions and monetary assets are principally denominated in Renminbi, Hong Kong Dollars or United States Dollars. The Group has not experienced any material difficulties in or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year ended 31 December 2011. During the year ended 31 December 2011, except for certain foreign exchange forward contracts to mitigate its foreign exchange risk, the Group did not employ any material financial instrument for hedging purposes.

SUBSEQUENT EVENTS

On 5 January 2012, Great Tec Investment Limited ("Great Tec"), an indirect wholly-owned subsidiary of the Company, entered into the capital investment agreement (the "Capital Investment Agreement") with 深圳華僑城房地產有限公司 (Overseas Chinese Town Real Estate Company Limited) ("OCT Properties"), pursuant to which Great Tec conditionally agreed to make capital contribution of RMB2,232 million (the "Capital Injection") to 華僑城(上海)置地有限公司 (Overseas Chinese Town (Shanghai) Land Company Limited) ("OCT Shanghai Land"). Upon completion, the registered capital of OCT Shanghai Land would be RMB3,030 million and the equity interest of OCT Shanghai Land would be owned as to 50.5% by Great Tec and as to 49.5% by OCT Properties, respectively.

On 5 January 2012, the Company (as borrower) entered into the loan agreement (the "Loan Agreement") with Overseas Chinese Town (HK) Company Limited (as lender), pursuant to which OCT (HK) conditionally agreed to lend RMB900 million to the Company which will be used to finance the Capital Injection.

Outlook

Looking forward to 2012, the outlook of the global economy remains uncertain. The Group will continue to improve its operational management and strengthen its leading position in all its businesses through constantly innovating and actively exploring markets.

For the paper packaging business, the Group aims to speed up its efforts to expand sales through building a strategic alliance with important customers. At the same time, the Group will promote product diversification, further strengthen the creative elements of our products, and maintain a steady development of its paper packaging business.

For the comprehensive development business, Chengdu Happy Valley will take various measures to enhance its capabilities to receive visitors on a 24/7 basis and expand the “family” consumer group in 2012. Phase II of Chengdu Happy Valley, which comprises large scale hi-tech indoor entertainment projects, is scheduled to complete its major structure in 2012, aiming to open to public in May 2013. For residential property projects, Chengdu OCT will take advantage of its comprehensive development business to fully present an image of high quality projects through various marketing measures. Phase V of the high-level residential properties are to be launched in 2012, with an area of approximately 169,000 sq.m.. Meanwhile, Chengdu OCT plans to improve the general planning of the business sector so as to speed up business development. The Company is confident about the future prospect of Chengdu OCT and believe that it will strive for growth while maintaining stability and once again deliver impressive results in 2012.

Xi'an OCT plans to launch residential properties with an area of approximately 37,000 sq.m. in 2012. In light of the possible tough market environment, Xi'an OCT will implement a proactive marketing strategy to promote project popularity and to establish a high-end image, and will build boutique premises to improve the overall quality of the project.

The Group expects that the PRC government will continue to implement control measures on the real estate industry adopted last year. However, leveraging on our unique overall planning and market positioning, and benefiting from the advantages of the brand image of “OCT” and its abundant resources, we will make active moves to expand our projects and the scale of the Company and enhance our growth potential, with an aim to become an outstanding developer and operator of commercial complex and develop into a sizable Hong Kong-listed company within five years.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2011, the Group employed approximately 2,800 full-time staff members. The basic remunerations of the employees are determined with reference to the industry's remuneration benchmark, the employees' experience and their performance, and equal opportunities will be offered to all staff. Salaries of employees are maintained at a competitive level and are reviewed annually, with reference to the relevant labour market and economic situation. Directors' remuneration is determined based on a variety of factors such as market conditions and responsibilities assumed by each director. Apart from the basic remuneration and statutory benefits required by laws, the Group also provides discretionary bonuses based upon the Group's results and the individual performance of the staff.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees. Most members of senior management have been working for the Group for many years.

Under the ordinary resolution passed at the extraordinary general meeting on 15 February 2011, the Board adopted a new share option scheme and simultaneously terminated the share option scheme which was adopted by the Company on 12 October 2005. 3,710,000 share options had been exercised during 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not purchased its own listed shares during the reporting period. During the period, save as disclosed in this announcement, the Company or any of its subsidiaries has not purchased or sold or redeemed any of the listed shares in the Company.

CORPORATE GOVERNANCE REPORT

The Company believes that high standard corporate governance and highly efficient management team are very important in enhancing the investors' confidence and the return to the shareholders, and can also increase long-term share value. Therefore, the Company is committed to implementing and maintaining a high standard of corporate governance, emphasizing good communication with shareholders and investors, and nurturing the corporate culture of strict code of conduct, with a view to continuously improving the Company's transparency in management. This includes timely, comprehensive and accurate disclosure of information of the Company to safeguard the shareholders' interest and to raise long-term share value.

During the reporting period, the Company has complied with all the code provisions of the Code on Corporate Governance Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

This results announcement and audited financial statements of the Company for the year ended 31 December 2011 had been reviewed by the Audit Committee of the Company before they were presented to the Board for approval.

By Order of the Board
Overseas Chinese Town (Asia) Holdings Limited
Wang Xiaowen
Chairman

Hong Kong, 28 February 2012

As at the date of this announcement, the Board comprises seven Directors, including three executive Directors namely Ms. Wang Xiaowen, Ms. Xie Mei and Mr. Zhou Guangneng, one non-executive Director namely Mr. He Haibin and three independent non-executive Directors namely Ms. Wong Wai Ling, Mr. Xu Jian and Mr. Lam Sing Kwong Simon.