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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 2012**

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 2012 prepared in accordance with the Hong Kong Financial Reporting Standards, together with the comparative figures for the year ended 31 December 2011.

Audited financial information of the Group for the year ended 31 December 2012 prepared in accordance with the HKFRSs are as follows:

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2012

(Expressed in Renminbi)

		2012	2011
	Note	RMB'000	RMB'000
Turnover	4	3,452,883	2,558,860
Cost of sales		(2,267,153)	(1,786,190)
Gross profit		1,185,730	772,670
Other revenue		14,314	11,676
Other net (expense)/income		(7,067)	24,057
Distribution costs		(224,926)	(160,648)
Administrative expenses		(154,420)	(126,268)
Other operating expenses		(12,627)	(1,832)
Profit from operations		801,004	519,655
Finance costs	5(a)	(102,623)	(55,486)
Share of profit of an associate		39,687	36,366
Profit before tax	5	738,068	500,535
Income tax expenses	6	(347,611)	(231,582)
Profit for the year		390,457	268,953
Attributable to:			
Owners of the Company		177,236	159,236
Non-controlling interests		213,221	109,717
Profit for the year		390,457	268,953
Dividend payable to owners of the Company attributable to the year			
Proposed final dividend after the end of the reporting period	7	33,071	30,338
Earnings per share (RMB)	8		
Basic		0.35	0.31
Diluted		0.35	0.31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*for the year ended 31 December 2012**(Expressed in Renminbi)*

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Profit for the year	390,457	268,953
Other comprehensive income:		
Exchange differences on translating foreign operations	12,998	(756)
Total comprehensive income for the year	403,455	268,197
Attributable to:		
Owners of the Company	190,234	158,480
Non-controlling interests	213,221	109,717
Total comprehensive income for the year	403,455	268,197

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2012

(Expressed in Renminbi)

	<i>Note</i>	2012 RMB'000	2011 RMB'000
Non-current assets			
Fixed assets			
–Investment property		636,074	565,953
–Other property, plant and equipment		1,312,733	1,400,463
–Interests in leasehold land held for own use under operating leases		705,513	726,263
		2,654,320	2,692,679
Intangible assets		410	221
Goodwill		267,195	266,625
Interest in an associate		120,621	80,934
Other financial assets		4,320	4,320
Deferred tax assets		97,290	95,761
		3,144,156	3,140,540
Current assets			
Inventories		14,198,204	2,015,536
Trade and other receivables	9	1,270,214	300,055
Cash and cash equivalents		1,525,861	748,393
		16,994,279	3,063,984
Current liabilities			
Trade and other payables	10	3,645,480	1,918,981
Receipts in advance		466,033	601,037
Bank loans		153,302	92,068
Related party loans		3,325,590	–
Current tax liabilities		317,637	124,160
		7,908,042	2,736,246
Net current assets		9,086,237	327,738
Total assets less current liabilities		12,230,393	3,468,278

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Non-current liabilities		
Bank loans	964,972	81,070
Related party loans	6,140,331	1,044,548
Deferred tax liabilities	295,016	52,522
	<u>7,400,319</u>	<u>1,178,140</u>
NET ASSETS	<u><u>4,830,074</u></u>	<u><u>2,290,138</u></u>
CAPITAL AND RESERVES		
Share capital	48,332	48,274
Reserves	1,701,235	1,529,627
	<u>1,749,567</u>	<u>1,577,901</u>
Equity attributable to owners of the Company	<u>3,080,507</u>	<u>712,237</u>
Non-controlling interests		
TOTAL EQUITY	<u><u>4,830,074</u></u>	<u><u>2,290,138</u></u>

NOTES

(Expressed in Renminbi unless otherwise indicated)

1. REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company has reviewed the financial results for the year ended 31 December 2012.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been compared by the Company's auditors, RSM Nelson Wheeler, 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 RSM Nelson Wheeler 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. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the applicable disclosures required by the Hong Kong Companies Ordinance and by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2012. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. TURNOVER AND SEGMENT REPORTING

(a) Turnover

The principal activities of the Group are comprehensive development and manufacturing and sale of paper cartons 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 cartons and products as follows:

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Comprehensive development business	2,624,031	1,743,970
Sales of paper cartons and products	828,852	814,890
	3,452,883	2,558,860

The Group's customer base is diversified and there was no customer with whom transactions exceeded 10% of the Group's revenues in 2012.

Further details regarding the Group's principal activities are disclosed in note 4(b).

(b) 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.

(i) 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.

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 2012 and 2011 is set out below.

	Comprehensive development business		Manufacture and sale of paper cartons and products		Total	
	2012	2011	2012	2011	2012	2011
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue from external customers	2,624,031	1,743,970	828,852	814,890	3,452,883	2,558,860
Reportable segment net profit	153,951	129,593	23,285	29,643	177,236	159,236
Interest income from bank deposits	10,272	8,811	3,716	2,074	13,988	10,885
Interest expense	99,135	53,562	3,488	1,924	102,623	55,486
Depreciation and amortisation for the year	134,023	129,675	35,962	38,035	169,985	167,710
Addition to segment non-current assets during the year	113,906	92,410	27,800	19,252	141,706	111,662
Reportable segment assets	18,619,712	5,337,423	1,518,723	867,101	20,138,435	6,204,524
Reportable segment liabilities	13,978,853	3,546,354	1,329,508	368,032	15,308,361	3,914,386

(ii) *Reconciliations of reportable segment revenue, profit or loss, assets and liabilities*

	2012	2011
	RMB’000	RMB’000
Revenue		
Reportable segment revenue	3,452,883	2,558,860
Elimination of inter-segment revenue	—	—
Consolidated turnover	3,452,883	2,558,860
Profit		
Reportable segment profit	177,236	159,236
Elimination of inter-segment profits	—	—
Reportable segment profit derived from Group’s external customers	177,236	159,236
Consolidated profit	177,236	159,236
Assets		
Reportable segment assets	20,138,435	6,204,524
Consolidated total assets	20,138,435	6,204,524
Liabilities		
Reportable segment liabilities	15,308,361	3,914,386
Consolidated total liabilities	15,308,361	3,914,386

5. PROFIT BEFORE TAX

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

	2012 RMB'000	2011 RMB'000
(a) Finance costs:		
Interest on bank loans	20,188	1,924
Interest on related party loans	446,653	59,791
Total interest expense on financial liabilities not at fair value through profit or loss	466,841	61,715
Less: Interest expense capitalised into properties under development *	(364,218)	(6,229)
	102,623	55,486

* The borrowing costs have been capitalised at a rate of 4.99%-6.65% per annum (2011: 3.50%-4.44%).

	2012 RMB'000	2011 RMB'000
(b) Staff costs:		
Contributions to defined contribution retirement schemes	12,144	10,793
Salaries, wages and other benefits	136,687	122,516
Equity-settled share-based payment expenses	10,946	9,241
	159,777	142,550

	2012 RMB'000	2011 RMB'000
(c) Other items:		
Amortisation of intangible assets [#]	103	34
Depreciation [#]		
– investment property	22,859	20,819
– pre-paid interest in leasehold land classified as being under an operating leases	20,750	20,746
– other assets	126,273	126,111
Impairment losses [#]		
– trade and other receivables	849	2,533
Operating lease charges in respect of properties [#]	30,123	19,764
Exchange gain	8,111	(20,026)
Auditors' remuneration		
– audit services	1,000	1,896
– other services	620	–
Rentals receivable from investment properties less direct outgoings of RMB23,119,000 (2011: RMB16,988,000)	(5,591)	2,285
Cost of inventories [#]	2,011,575	1,560,808

[#] Cost of inventories included RMB242,860,000 (2011: RMB202,420,000) 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 5(b) and 5(c) for each of these types of expenses.

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2012 RMB'000	2011 RMB'000
Current tax		
–PRC corporate income tax	141,387	134,414
–PRC land appreciation tax	196,872	143,235
	<u>338,259</u>	<u>277,649</u>
Deferred tax		
Origination and reversal of temporary differences	9,352	(46,067)
	<u>9,352</u>	<u>(46,067)</u>
	<u><u>347,611</u></u>	<u><u>231,582</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 (2011: 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 (2011: 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 at 25% (2011: 24%-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”).

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.

7. DIVIDENDS

(i) *Dividends payable to owners of the Company attributable to the year*

	2012 RMB'000	2011 <i>RMB'000</i>
Final dividend proposed after the end of the reporting period of HK\$8.00 cents per ordinary share (equivalent RMB6.49 cents per share) (2011: HK\$7.30 cents per share (equivalent RMB5.93 cents per share))	33,071	30,338

(ii) *Dividends payables to owners of the Company attributable to the previous financial year, approved and paid during the year*

	2012 RMB'000	2011 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$7.30 cents per share equivalent RMB5.93 cents per share) (2011: HK\$3.00 cents per share (equivalent RMB2.61 cents per share))	30,338	13,190

8. EARNINGS PER SHARE

(a) **Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB177,236,000 (2011: RMB159,236,000) and the weighted average of 509,581,475 (2011: 507,890,932) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2012 No. of shares	2011 <i>No. of shares</i>
Issued ordinary shares at 1 January	509,070,000	505,360,000
Effect of share options exercised	511,475	2,530,932
Weighted average number of shares at 31 December	509,581,475	507,890,932

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company of RMB177,236,000 (2011: RMB159,236,000) and the weighted average number ordinary shares of 509,685,441 shares (diluted) (2011: 509,024,757) calculated as follows:

	2012 <i>No. of shares</i>	2011 <i>No. of shares</i>
Weighted average number of ordinary shares at 31 December	509,581,475	507,890,932
Effect of deemed issue of shares under the company's share option scheme for nil consideration	103,966	1,133,825
Weighted average number of ordinary shares (diluted) at 31 December	509,685,441	509,024,757

9. TRADE AND OTHER RECEIVABLES

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Trade receivables and bills receivable:		
Amounts due from fellow subsidiaries	38,736	49,780
Amounts due from third parties	266,238	183,073
Less: impairment loss for doubtful debts	(7,919)	(8,232)
	297,055	224,621
Prepayment, deposits and other receivables:		
Amounts due from fellow subsidiaries	530	894
Amounts due from third parties	102,429	74,540
Prepayment for land cost	870,200	—
	1,270,214	300,055

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

Apart from rental deposits of RMB13,238,000 (2011: RMB11,693,000) 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 impairment loss for doubtful debts) with the following ageing analysis as of the end of the reporting period.

	2012 RMB'000	2011 <i>RMB'000</i>
Current	264,140	207,954
Less than 3 months past due	32,912	16,437
More than 3 months but less than 12 months pass due	3	230
Amount past due	32,915	16,667
	297,055	224,621

10. TRADE AND OTHER PAYABLES

	2012 RMB'000	2011 <i>RMB'000</i>
Trade payables and bills payable:		
Amounts due to fellow subsidiaries	–	1,159
Amounts due to third parties	1,294,722	865,456
	1,294,722	866,615
Other payables and accruals:		
Amounts due to fellow subsidiaries	50,043	16,607
Amounts due to third parties	2,300,715	1,035,759
	3,645,480	1,918,981

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:

	2012 RMB'000	2011 <i>RMB'000</i>
Due within 3 months or on demand	1,294,722	866,615

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER

The Register of Members of the Company will be closed from 17 April 2013 to 19 April 2013 (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 16 April 2013.

The Board has resolved to recommend the payment of a final dividend of HK\$8.0 cents per share for shareholders whose names appear on the Register of Members of the Company on 30 April 2013. The Register of Members will be closed from 26 April 2013 to 30 April 2013, both days inclusive, and the proposed final dividend is expected to be paid on 28 June 2013. The payment of dividends shall be subject to the approval of the shareholders at the Annual General Meeting to be held on 19 April 2013. 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 25 April 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, Overseas Chinese Town (Asia) Holdings Limited (the "Company") and its subsidiaries (the "Group") have set its future strategic goal as to become a prominent developer and operator of commercial complex. Under the guidance of this new strategic goal, we proactively responded to the complicated economic developments both within and outside China and achieved satisfactory operating results. As of 31 December 2012, the Company recorded a turnover of approximately RMB3,453 million, representing an increase of approximately 34.9% over the same period of 2011; profits attributable to shareholders were approximately RMB177 million, representing an increase of approximately 11.3% over the same period of 2011.

Comprehensive Development Business

Relying on its strategic objectives, the Group increased its input into its comprehensive development business during the period under review and put more effort to obtain new project resources. Three newly added projects are Shanghai Suhewan, Tianjian Tianxiao and Beijing Laiguangying. During the period under review, the Company's comprehensive development business recorded a turnover of approximately RMB2,624 million, representing an increase of approximately 50.5% over the same period of 2011; profits attributable to shareholders were approximately RMB154 million, representing an increase of approximately 18.8% over the same period of 2011. The Company currently holds 5 comprehensive development projects in total with controlling interest and participation interest, including Shanghai Suhewan, Chengdu OCT, Tianjin Tianxiao, Beijing Laiguangying and Xi'an OCT projects.

Shanghai Suhewan

The Company holds 50.5% equity interest

On 5 January 2012, the Group entered into a capital increase agreement pursuant to which the Group made capital contribution of RMB2,232 million to Overseas Chinese Town (Shanghai) Land Company Limited (“OCT Shanghai Land”) and acquired 50.5% equity interest in it. The transaction was completed in June 2012 and OCT Shanghai Land became a non-wholly owned subsidiary of the Company.

OCT Shanghai Land is currently engaged in the Shanghai Suhewan project, which is advantageously situated at the junction of Suzhou River and Huangpu River banks in Zhabei District, Shanghai and possesses the scarce landscape resources. The project comprises 1 Jiefang, 41 Jiefang and 42 Jiefang with a total site area of approximately 71,000 sq.m., a gross floor area (above ground) of approximately 280,000 sq.m. and a total gross floor area of approximately 430,000 sq.m.. The project includes multi-storey riverside residential buildings, luxury residential properties, apartment-style offices, luxury hotels, boutique business premises and studios for artists. The project is scheduled to be completed in 2016.

The first batch of products of the Shanghai Suhewan project was the apartment-style offices located in 41 Jiefang. Pre-sale started in September 2012 with settlement within the same year. During the period under review, contract sales area and revenue of the project reached approximately 13,000 sq.m. and approximately RMB710 million respectively, while the area and revenue settled were approximately 12,000 sq.m. and approximately RMB680 million respectively.

In 2012, the Shanghai Suhewan project was awarded “21st Century City Composite New Landmark in China for the year 2012” by 21st Century Economy Review.

Tianjin Tianxiao

The Company holds 100% equity interest

On 2 November 2012, the Group entered into an agreement with 天津津濱發展股份有限公司 (Tianjin Jinbin Development Company Limited (“Jinbin Development”) pursuant to which the Company acquired the entire equity interest in 天津天瀟投資發展有限公司 (Tianjian Tianxiao Investment Development Company Limited) (“Tianjin Tianxiao”) and all rights attached thereto for a consideration of approximately RMB385 million and assumed Tianjin Tianxiao’s debt in the amount of approximately RMB1,048 million. The amendment of the industrial and commercial registration were completed by Tianjin Tianxiao in December 2012.

The major asset of Tianjin Tianxiao project is a piece of land located in the area of Jintang Road, Hedong District, Tianjin, the PRC. The land has a total site area of approximately 132,000 sq.m.. The land is at early stage of development and will be developed into residential and commercial properties, including high-rise residential properties, multi-storey residential properties and shops with a total maximum gross floor area of approximately 316,000 sq.m.. The project is currently at the stage of planning and design. It is expected that construction to be commenced in the second half of 2013, pre-sale in 2014 and completion of development in 2016.

Beijing Laiguangying

The Company holds 33% equity interest

On 12 December 2012, the Group entered into a capital increase agreement with 招商局地產(北京)有限公司 (China Merchants Property Development (Beijing)., Ltd) and 大連盈致企業管理有限公司 (Dalian Yingzhi Corporate Management Limited), pursuant to which the Company made capital contribution in cash to Beijing Guangying Residential Property Development Limited (“Beijing Guangying”) in the amount of approximately RMB42 million. It has also been agreed that the total accumulative amount of shareholders’ loan and guarantee to be provided shall not exceed RMB924 million. The transaction is completed in January 2013.

The major assets of Beijing Guangying project are two pieces of land lots located in the area of Laiguangyingxiang in Chaoyang District, Beijing, the PRC. The land has a total site area of approximately 73,000 sq.m.. At present, the land is at the early stage of development with a total maximum gross floor area of approximately 182,000 sq.m. for residential development. The project will commence construction and pre-sale in mid-2013 and is scheduled to complete development in 2016.

Chengdu OCT

The Company holds 51% equity interest

Chengdu OCT Project is located in Jinniu District, Chengdu City, Sichuan Province, the PRC which is to be developed into a composite project, comprising residential, commercial properties and a theme park, occupying a total site area of approximately 1,827,000 sq.m. and gross floor area of approximately 2,250,000 sq.m.. During the period under review, Chengdu OCT recorded a turnover of approximately RMB1,980 million. The contract sales area and revenue of the residential property project reached approximately 137,000 sq.m. and approximately RMB1,680 million respectively, while the settled area and revenue were approximately 160,000 sq.m. and approximately RMB1,830 million respectively. The major products launched in 2012 were high-rise residential properties, part of the low-density residential properties and multi-storey residential properties. The current rentable area for commercial use is approximately 65,000 sq.m., of which 99% has been occupied. Chengdu OCT’s theme park, “Chengdu Happy Valley”, has attracted approximately 2.44 million visitors throughout the period under review, which was in line with that of the past year.

Xi'an OCT

The Company holds 25% equity interest

Located in Qujiang New District, Xi'an City, Shanxi Province, Xi'an OCT Project is in proximity to several famous scenic spots. The land has a total site area of approximately 137,000 sq.m., all products are low-density residential properties. During the period under review, the products launched by Xi'an OCT included duplex, compound and detached houses. The contract sales area and revenue reached approximately 45,000 sq.m. and approximately RMB950 million respectively. The settled area and revenue were approximately 39,000 sq.m. and approximately RMB830 million respectively. Investment income which the Company obtained according to its equity interest in Xi'an OCT was approximately RMB40 million.

Paper Packaging Business

The Group has over 20 years of experience in the packaging and printing industry. It has set up four manufacturing bases in the Pearl River Delta and Yangtze River Delta, the most economically developed regions in China, and branches located in places such as Huizhou, Zhongshan, Shanghai, Chuzhou, Wuhan, Kunshan, and has built up the "Huali" brand with solid customer base and good market reputation.

2012 was a year featured by sluggish performance in the European and American economies, a large number of foreign companies shifted their production, reduced output and laid off employees. Sales to our key Japanese customers decreased and the Company's paper packaging business faced various challenges. During the period under review, the Company has adopted a number of strategies to, on one hand, expand its market and identify new major branded customers, and formed a larger and more stable sales scale, on the other hand, through enhancing the Company's management, to achieve higher efficiency with lower cost. Besides, in order to be more competitive in the market, the Company introduced new printing equipments, increased the automation level of the Group, and maintained its leading position in technology amidst a situation of higher cost and keen market competition. During the period under review, paper packaging business recorded a turnover of approximately RMB829 million, representing an increase of approximately 1.7% over the same period of 2011. Profits attributable to shareholders amounted to approximately RMB23.28 million, representing an decrease of approximately 21.4% over the same period of 2011.

OPERATING RESULTS

As at 31 December 2012, the Group's total assets amounted to approximately RMB20,138 million, representing an increase of approximately 225% over that as at 31 December 2011; total equity amounted to approximately RMB4,830 million, representing an increase of approximately 111% over that as at 31 December 2011.

For the year ended 31 December 2012, the Group realized sales of approximately RMB3,453 million, representing an increase of approximately 34.9% over the same period in 2011, of which, sales of the comprehensive development business was approximately RMB2,624 million, representing an increase of approximately 50.5% over the same period in 2011; and sales of the paper packaging business was approximately RMB829 million, representing an increase of approximately 1.7% over the same period in 2011. Profits attributable to owners of the Company were approximately RMB177 million, representing an increase of approximately 11.3% over the same period in 2011, of which, profits attributable to owners of the Company of the comprehensive development business were approximately RMB154 million, representing an increase of approximately 18.8% over the same period in 2011, mainly as a result of the newly added project, Shanghai Suhewan project, recorded profit in this year; and profits attributable to owners of the Company of the paper packaging business were approximately RMB23.28 million, representing a decrease of approximately 21.4% over the same period in 2011, mainly as a result of market downturn and increase in operating costs. The basic earnings per share for 2012 were RMB0.35, as compared to RMB0.31 for 2011.

During the period under review, gross profit margin of the Group was approximately 34.3% (2011: approximately 30.2%), representing an increase of 4.1% over the same period in 2011. Of which, the gross profit margin of the comprehensive development business was approximately 41.3%, representing an increase of 2.8% over the same period in 2011, mainly due to the products sold in the year were products with high gross profit margin; and the gross profit margin of the paper packaging business was approximately 12.3%, which was substantially the same as compared with the same period in 2011. Net profit margin attributable to owners of the Company was approximately 5.1% (2011: approximately 6.2%), representing a decrease of 1.1% as compared with that of 2011. Of which, the net profit margin attributable to owners of the comprehensive development business was approximately 5.9%, representing a decrease of 1.5% over the same period in 2011; and the net profit margin attributable to equity holders of the paper packaging business was approximately 2.8%, representing a decrease of 0.8% over the same period in 2011.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total equity of the Group as at 31 December 2012 was RMB4,830 million (31 December 2011: RMB2,290 million). As at 31 December 2012, the Group had current assets of RMB16,994 million (31 December 2011: RMB3,064 million) and current liabilities of RMB7,908 million (31 December 2011: RMB2,736 million). The current ratio was 2.15 as at 31 December 2012 as compared to 1.12 as at 31 December 2011. The Group generally finances its operations with internally generated funds and credit facilities provided by banks and shareholder's loan.

As at 31 December 2012, the Group had outstanding bank loans of RMB1,118 million, without any fixed-rate loans (31 December 2011: outstanding bank loans of RMB173 million, without any fixed-rate loans). As at 31 December 2012, the bank loan interest rates of the Group ranged from 1.5% to 4.2% per annum (while for the year ended 31 December 2011, the bank loan interest rates of the Group ranged from 0.99% to 2.33% 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 53% as at 31 December 2012, which increased by approximately 23% as compared with 20% as at 31 December 2011, mainly due to newly added Shanghai Suhewan project loan during the Period.

As at 31 December 2012, 100% of the total amount of outstanding bank loans of the Group was in Hong Kong Dollars (31 December 2011: 100%). As at 31 December 2012, approximately 91% of the total amount of cash and cash equivalents of the Group was in Renminbi (31 December 2011: 91%), approximately 8% of its cash and cash equivalents was in Hong Kong Dollars (31 December 2011: 8%) and approximately 1% of its cash and cash equivalents was in United States Dollars (31 December 2011: 1%).

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 2012. During the year ended 31 December 2012, 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.

OUTLOOK

Looking forward to 2013, the global economy is likely to grow at low-gear. It is expected that the PRC government will continue to implement control measures on the real estate industry. However, the Group considers that such measures could contribute to the long-term and healthy development of the real estate market. At the end of 2012, the PRC government unveiled its clear objective of achieving a comprehensive well-off society by 2020. At the same time it emphasized plans such as transformation of economic development, new urbanization progress and "income doubling". The Group expects that the overall real estate market in 2013 will turn more positive, but it is unlikely that the prices of housings will rise sharply. The Company's projects are all located in cities serving as economic centres in the mainland where economy of scale and urbanization level are higher than the average level of the country, which will support property prices and is favorable to the development of the Company's business.

Comprehensive development business

In 2013, the Company plans to fasten its development pace, so as to increase turnover rate and enhance profit level. The Company will follow the original planning of its projects and keep in line with market condition. The Group has the following planning for each of its projects in 2013: sales of Shanghai Suhewan project to be launched will include ultra-high rise residential properties located in 1 Jiefang and administrative apartments and boutique business premises located in 41 Jiefang, approximately 26,000

sq.m. saleable or leaseable area is planned for new launch. The project to be launched by Chengdu OCT in the second half of 2013 will include two high-end office buildings, while residential property projects mainly include sales of high-rise, multi-storey and low-density residential properties, approximately 23,500 sq.m. saleable or leaseable area is planned for new launch. Phase II of Chengdu Happy Valley will open to public in May 2013 and will attract more visitors. With our solid foundation established and successful experience in the past, the Group believes that each project will continue to achieve satisfactory results in 2013.

Looking forward, the Group will continue to leverage on the unique overall planning and advantage from accurate market positioning, fully utilize high quality branding and resources, continue to increase input, actively seek for lands which fit into the Company's positioning in cities with location advantages and growth potential, increase project reserves, succeed in organic integration and rational allocation of large-scale composite development projects with quick turnover rate, so that both the project scale and profitability will be enhanced.

Paper packaging business

The Group expects that domestic manufacturing market in general is still facing challenges. As for paper packaging business, the Group will continue to expand its market share, achieve a higher efficiency with lower costs, and raise market competitiveness so as to achieve stable development.

As a member of OCT Group, the Company has full confidence in the development prospect in the future, and believes that the Company will receive support and continued concern from our parent company. The Company aims to become a prominent developer and operator of commercial complex, and continue to bring satisfactory return to its shareholders.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2012, the Group employed approximately 2,600 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 (the “New Share Option Scheme”) and simultaneously terminated the share option scheme which was adopted by the Company on 12 October 2005 (the “Old Share Option Scheme”). 720,000 share options had been exercised during 2012.

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.

The Company had complied with all the code provisions as set out in the Code on Corporate Governance contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Corporate Governance Code (the “Code”) (effective from 1 April 2012) for the year ended 31 December 2012.

AUDIT COMMITTEE

This results announcement and audited financial statements of the Company for the year ended 31 December 2012 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 2013

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. Yang Jie, 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.