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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)

DISCLOSEABLE AND CONNECTED TRANSACTION
ESTABLISHMENT OF LIMITED PARTNERSHIP

THE LP AGREEMENT

Reference is made to the announcement of the Company dated 28 April 2016 in relation to the possible establishment of the limited partnership.

The Board is pleased to announce that, on 30 September 2016 (after trading hours), Huayou Investment, an indirectly wholly-owned subsidiary of the Company, entered into the LP Agreement in relation to the establishment of the Limited Partnership with an aggregate capital of RMB1 billion.

Upon establishment of the Limited Partnership, the Company, which shall contribute RMB143 million pursuant to the LP Agreement, will own as to 14.3% in the interest in the Limited Partnership and the financial results of the Limited Partnership will not be consolidated into the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions as contemplated under the LP Agreement exceed(s) 5% but less than 25%, the transactions contemplated under the LP Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Tongbao is owned by two Directors, Ms. Xie and Mr. Lin, as to 50% and 50% respectively. As such, Tongbao is an associate of each of Ms. Xie and Mr. Lin and is a connected person of the Company. Accordingly, the LP Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of

the applicable percentage ratios in respect of the transactions as contemplated under the LP Agreement exceed(s) 5%, the LP Agreement is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SHAREHOLDERS' WRITTEN APPROVAL

As no Shareholder has material interest in the transactions contemplated under the LP Agreement, none of the Shareholders is required to abstain from voting if a general meeting of the Company was convened to approve the LP Agreement and the transactions contemplated thereunder. The Company has obtained a written approval from Pacific Climax, which held 434,894,000 Shares as at the date of this announcement (representing approximately 66.66% of the issued share capital of the Company) for the approval of the LP Agreement and the transactions contemplated thereunder. Pursuant to Rule 14A.37 of the Listing Rules, an application has been made by the Company to the Stock Exchange for a waiver from the requirement for the Company to convene a Shareholders' meeting, on the basis that the LP Agreement and the transactions contemplated thereunder have been approved by the written approval of a Shareholder.

GENERAL

The Independent Board Committee was formed to give recommendations to the Independent Shareholders on whether the terms of the LP Agreement are fair and reasonable.

An independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the LP Agreement will be appointed to advise them in this regard.

A circular containing, among other things, (i) further details of the the LP Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iii) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, will be despatched to the Shareholders on or before 24 October 2016.

Reference is made to the announcement of the Company dated 28 April 2016 in relation to the possible establishment of the limited partnership.

The Board is pleased to announce that, on 30 September 2016 (after trading hours), Huayou Investment, an indirectly wholly-owned subsidiary of the Company, entered into the LP Agreement. Principal terms of the LP Agreement are set out as follows:

THE LP AGREEMENT

Date

30 September 2016

Parties

General and Executive Partner

- (1) Capital Fortune Investment;

General Partner

- (2) Jiahe Investment;

Limited Partners

- (3) Huayou Investment, an indirect wholly-owned subsidiary;
- (4) Tongbao;
- (5) Yuanzhi Investment;
- (6) Pingshan Company;
- (7) Fujing Technology;
- (8) China Merchants Wealth;
- (9) Mr. Deng;
- (10) Hubei Zhenya;
- (11) Zhejiang Beirui;
- (12) Ms. Zeng;
- (13) Shenzhen Huayin; and
- (14) Ms. Chen.

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, apart from Tongbao which its relation with the Company is detailed in the section headed “Listing Rules Implications” herein, each of the Other Partners and their respective ultimate beneficial owner(s) are Independent Third Parties.

Capital Contribution

The total investment amount of the Limited Partnership is expected to be RMB1 billion, which should be contributed by all the partners in full by cash before the payment date as stipulated in the payment notice to be issued by the general and executive partner. The contribution to be made by each of the partners are as follows:

Partners	Contribution in the Limited Partnership (RMB)	Percentage of contribution in the Limited Partnership
(1) Capital Fortune Investment	17,000,000	1.7%
(2) Jiahe Investment	3,000,000	0.3%
(3) Huayou Investment	143,000,000	14.3%
(4) Tongbao	2,000,000	0.2%
(5) Yuanzhi Investment	100,000,000	10.0%
(6) Pingshan Company	140,000,000	14.0%
(7) Fujing Technology	20,000,000	2.0%
(8) China Merchants Wealth	500,000,000	50.0%
(9) Mr. Deng	10,000,000	1.0%
(10) Hubei Zhenya	15,000,000	1.5%
(11) Zhejiang Beirui	17,000,000	1.7%
(12) Ms. Zeng	8,000,000	0.8%
(13) Shenzhen Huayin	10,000,000	1.0%
(14) Ms. Chen	15,000,000	1.5%
Total	1,000,000,000	100%

Upon establishment of the Limited Partnership, the Company will own as to 14.3% in the interest in the Limited Partnership and the financial results of the Limited Partnership will not be consolidated into the Group.

Source of contribution

The Group intends to satisfy the contribution of RMB143,000,000 to be made by Huayou Investment by its internal resources.

Term of the Limited Partnership

The Limited Partnership shall commence from the granting date of its business license, and expire on the 5th anniversary of the date when all partners to the LP Agreement have fully paid their capital contribution.

The general and executive partner may base on the operation needs of the Limited Partnership and determine to extend the term of the Limited Partnership by one year.

Purpose and business scope of the Limited Partnership

The purpose of the Limited Partnership is to engage in equity investment, equity investment management and other equity investment related activities in order to promote the developments of emerging industries and maximize the interests of all partners.

The business scope of the Limited Partnership covers investments in emerging industries such as new energy vehicles, medical and health, mobile internet, energy conservation and environmental protection; and the project types shall include but not limited to the area industrial restructuring saving project, transfer of pre-listed state-owned shares projects, pre-new OTC board (新三板) project, and other projects as stipulated under the “Interim Measures on Venture Investment Fund Management of Pingshan New District” (《坪山新區創業投資引導基金管理暫行辦法》).

Profit and loss sharing

Any profit of the Limited Partnership shall be shared among the partners as follows:

- (i) if the annual average investment turnover rate of the Limited Partnership is lower than or equal to 8%, the profit shall be shared among the partners in proportion to their actual contribution to the Limited Partnership;
- (ii) if the annual average investment turnover rate of the Limited Partnership is higher than 8% but lower than or equal to 10%, the profit shall be shared among the partners in proportion to their actual contribution to the Limited Partnership until each partner has received the amount equivalent to its actual contribution in the Limited Partnership and the amount receivable by such partner calculated at the annual average investment turnover rate of 8%, any remaining profit shall be distributed equally among the general executive partner and the general partner;
- (iii) if the annual average investment turnover rate of the Limited Partnership is higher than 10%, the profit shall be shared among the partners as follows:
 - (a) Firstly, the profit shall be distributed in proportion to the actual contribution to the Limited Partnership by each partner until all of them have received the amount equivalent to their respective actual contribution in the Limited Partnership;
 - (b) Secondly, the profit shall be distributed until each partner has received the amount receivable by such partner calculated at the annual average investment turnover rate of 8%;

- (c) Lastly, the remaining profit shall be distributed among each partner according to the following formula:

Actual contribution proportion of such partner x (distributable profit – actual contribution of Limited Partnership) x 80% – the profit already received by such partner under (a) and (b) above.

Any remaining profit shall be distributed equally among the general executive partner and the general partner.

Annual average investment turnover rate means the weighted annual profit rate in relation to the total profit generated by the Limited Partnership comparing to the actual contribution made by all the partners.

Any loss incurred by the Limited Partnership shall be bore by the partners in proportion to their respectively contribution in the Limited Partnership. The liability of each limited partners is capped by their respective contribution in the Limited Partnership while the liability of each general partners is unlimited.

Pre-emptive rights on interest transfers

Transfer of interest in the Limited Partnership by limited partner is subject to approval by the general executive partner. Should the general executive partner approved a proposed transfer, all other limited partners shall have pre-emptive right to purchase the interests offered to be transferred on the same proposed terms.

REASONS FOR AND BENEFIT OF ENTERING INTO THE LP AGREEMENT

Having considered that (i) the investment areas of the Limited Partnership cover highly attractive emerging industries in the PRC with excellent growth opportunities in the future; and (ii) Capital Fortune Investment has rich experience and resources in the said emerging industries; the Company is of the opinion that the proposed investment in the Limited Partnership will bring further strategic investment opportunities to the Group and provide an effective platform for the Group to strengthen the exploration in the emerging industries.

The Directors are of the view that the terms of the LP Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and the Transfer is in the interest of the Company and the Shareholders as a whole.

Ms. Xie and Mr. Lin have voluntarily abstained from voting on the relevant Board resolutions for approving the LP Agreement and the transactions contemplated thereunder. Save as the aforesaid, none of the Directors abstain from voting on the relevant Board resolutions.

INFORMATION OF THE GROUP

The principal business activity of the Company is investment holding. The Group is principally engaged in the comprehensive development business and the manufacture and sale of cartons and paper products.

Huayou Investment is a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company. It principally engages in enterprise management consultation, investment in property projects, manufacture and sale of cardboard, carton boxes and other packaging boxes.

INFORMATION OF TONGBAO AND THE OTHER PARTNERS

Tongbao is a limited partnership established in the PRC and is owned as to 50% and 50% by Ms. Xie and Mr. Lin respectively. It principally engages in equity investment.

Capital Fortune Investment is a company incorporated in the PRC. It principally engages in entrusted management of equity investment funds; entrusted asset management; equity investment and investment and financial advisory services.

Jiahe Investment is a limited partnership established in the PRC. It principally engages in investment and investment advisory services, management consultation and investment management.

Yuanzhi Investment is a company incorporated in the PRC. It principally engages in investment in industrial projects, management of investment and other related asset.

Pingshan Company is a company incorporated in the PRC. It principally engages in property development, infrastructure construction; entrusted asset management and industry establishment.

Fujing Technology is a company incorporated in the PRC. It principally engages in manufacturing, providing technical advisory and technical services in relation to optical crystal, crystal materials and laser devices.

China Merchants Wealth is a company incorporated in the PRC. It principally engages in asset management services for specific clients, and other business permitted by China Securities Regulatory Commission.

Mr. Deng is a PRC resident. He is a merchant.

Hubei Zhenya is a company incorporated in the PRC. It principally engages in sale of vehicles and vehicle components.

Zhejiang Beirui is a company incorporated in the PRC. It principally engages in industry investment and related services.

Ms. Zeng is a PRC resident. She is a merchant.

Shenzhen Huayin is a limited partnership established in the PRC. It principally engages in equity investment.

Ms. Chen is a PRC resident. She is a merchant.

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DEFINITIONS

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

“Board”	the board of Directors of the Company;
“Capital Fortune Investment”	Shenzhen Capital Fortune Investment Company Limited* (深圳市遠致富海投資管理有限公司), a limited liability company incorporated in the PRC;
“Company”	Overseas Chinese Town (Asia) Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 03366);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Fujing Technology”	Fujian Fujing Technology Holdings Co., Ltd.* (福建福晶科技股份有限公司), a limited liability company incorporated in the PRC;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huayou Investment”	Shenzhen Huayou Investment Co., Ltd.* (深圳市華友投資有限公司), an indirectly wholly-owned subsidiary of the Company;
“Hubei Zhenya”	Hubei Zhenya Zhiyuan Industrial Co., Ltd* (湖北振亞致遠實業有限公司), a limited liability company incorporated in the PRC;

“Independent Board Committee”	a committee of the Board comprising all independent non-executive Directors of the Company;
“Independent Shareholders”	Shareholders who are not prohibited from voting under the Listing Rules to approve the LP Agreement and the transactions contemplated thereunder;
“Independent Third Party(ies)”	parties independent of and not connected with the Company and its connected persons;
“Jiahe Investment”	Shenzhen Jiahe Investment Management Enterprise (LLP)* (深圳佳合投資管理企業(有限合夥)), a limited partnership established in the PRC;
“Limited Partnership ”	Shenzhen Capital Fortune Investment New Industries Investment Enterprise (LLP)* (深圳遠致富海新興產業投資企業(有限合夥)), a limited partnership to be established pursuant to the LP Agreement;
“LP Agreement”	the Limited Partnership agreement entered into among Huayou Investment, Tongbao and the Other Partners on 30 September 2016 in relation to the establishment of the Limited Partnership;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Ms. Chen”	Chen Meixia* (陳美霞), resident of the PRC;
“Mr. Deng”	Deng Shiwei* (鄧詩維), resident of the PRC;
“Mr. Lin”	Mr. Lin Kaihua, an executive Director of the Company;
“Ms. Zeng”	Zeng Danni* (曾丹妮), resident of the PRC;
“Ms. Xie”	Ms. Xie Mei, an executive Director of the Company;
“Other Partners”	Capital Fortune Investment, Jiahe Investment, Yuanzhi Investment, Pingshan Company, Fujing Technology, China Merchants Wealth, Mr. Deng, Hubei Zhenya, Zhejiang Beirui, Ms. Zeng, Shenzhen Huayin and Ms. Chen;
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company;

“percentage ratio(s)”	has the meaning ascribed to in the Listing Rules;
“Pingshan Company”	Shenzhen Pingshan New District City Construction Investment Co., Ltd.* (深圳市坪山新區城市建設投資有限公司), a limited liability company incorporated in the PRC;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	Share(s) of the Company;
“Shareholders”	holders of the Share(s);
“Shenzhen Huayin”	Shenzhen Huayin No.2 Equity Investment Limited Partnership (LLP) (深圳市華銀二號股權投資合夥企業(有限合夥)), a limited partnership established in the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tongbao”	Shenzhen Tongbao Haina Investment Enterprise (LLP)* (深圳通寶海納投資企業(有限合夥)), a limited partnership established in the PRC and owned as to 50% and 50% by each of Ms. Xie Mei and Mr. Lin Kaihua, respectively;
“Yuanzhi Investment”	Shenzhen Yuanzhi Investment Co., Ltd.* (深圳市遠致投資有限公司), a limited liability company incorporated in the PRC;
“China Merchants Wealth”	China Merchants Wealth Asset Management Co., Ltd.* (招商財富資產管理有限公司), a limited liability company incorporated in the PRC;
“Zhejiang Beirui”	Zhejiang Beirui Industrial Investment Co., Ltd.* (浙江貝瑞實業投資有限公司), a limited liability company incorporated in the PRC; and

“%”

per cent.

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “” is for identification purpose only.*

By order of the Board of
Overseas Chinese Town (Asia) Holdings Limited
Yao Jun
Chairman

Hong Kong, 30 September 2016

As at the date of this announcement, the Board comprises seven Directors, namely: Mr. Yao Jun, Ms. Xie Mei and Mr. Lin Kaihua as executive Directors; Mr. Zhou Ping as non-executive Director; Mr. Lu Gong, Ms. Wong Wai Ling and Professor Lam Sing Kwong Simon as independent non-executive Directors.