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**Overseas Chinese Town (Asia) Holdings Limited**  
**華僑城(亞洲)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03366)**

**MAJOR TRANSACTION**  
**FINANCE LEASE AGREEMENT**

**FINANCE LEASE**

The Board is pleased to announce that on 13 August 2020, the Lessor and the Lessee, an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement, pursuant to which: (i) the Lessor conditionally agreed to purchase certain amusement and ancillary facilities (such as roller coaster and waterpark facilities) used in Chengdu Happy Valley currently owned by the Lessee, at the Purchase Consideration of RMB500,000,000.00, and (ii) following the acquisition, the Lessor conditionally agreed to lease the Leased Assets to the Lessee, for a Lease Term of 36 months starting from the date of payment of the Purchase Consideration by the Lessor to the Lessee, at an aggregate estimated Lease Payment of approximately RMB549,401,142.48. Upon expiry of the Lease Term, the Lessee shall purchase the Leased Assets at the Repurchase Consideration of RMB1.00.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio under Chapter 14 of the Listing Rules in respect of the Finance Lease exceeds 25% but less than 75%, the entering into of the Finance Lease Agreement constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no Shareholder has material interest in the Finance Lease Agreement and the transaction contemplated thereunder, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Finance Lease Agreement and the transaction contemplated thereunder. The Company has obtained a written approval from Pacific Climax, which, as at the date of this announcement, held 530,894,000 Shares (representing approximately 70.94% of the issued share capital of the Company) for the approval of the Finance Lease Agreement and the transaction contemplated thereunder in lieu of a resolution to be passed

at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As such, no extraordinary general meeting will be convened by the Company to approve the Finance Lease Agreement and the transaction contemplated thereunder.

In addition, a circular containing further details of the Finance Lease Agreement and the transaction contemplated thereunder and such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 24 September 2020, which is more than 15 business days after the publication of this announcement, as more time is required for the preparation of certain information to be included in the circular.

## **FINANCE LEASE AGREEMENT**

The Board is pleased to announce that on 13 August 2020, the Lessor and the Lessee, an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement, pursuant to which: (i) the Lessor conditionally agreed to purchase certain amusement and ancillary facilities (such as roller coaster and waterpark facilities) used in Chengdu Happy Valley currently owned by the Lessee, at the Purchase Consideration of RMB500,000,000.00, and (ii) following the acquisition, the Lessor conditionally agreed to lease the Leased Assets to the Lessee, for a Lease Term of 36 months starting from the date of payment of the Purchase Consideration by the Lessor to the Lessee, at an aggregate estimated Lease Payment of approximately RMB549,401,142.48. Upon expiry of the Lease Term, the Lessee shall purchase the Leased Assets at the Repurchase Consideration of RMB1.00.

The principal terms of the Finance Lease Agreement are summarised as follow:

### **Date**

13 August 2020

### **Parties**

1. CMB Financial Leasing Co., Ltd., as the Lessor; and
2. 成都天府華僑城實業發展有限公司 (Chengdu Tianfu OCT Industry Development Co., Ltd.), as the Lessee

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Lessor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

The Finance Lease Agreement comprises of: (i) the sale and purchase of the Leased Assets; and (ii) the lease back of the Leased Assets to the Lessee, details of which are discussed below.

## **Sale and purchase of the Leased Asset**

Pursuant to the Finance Lease Agreement, the Lessee shall transfer the Leased Assets to the Lessor at the Purchase Consideration of RMB500,000,000.00. The Purchase Consideration is determined after arm's length negotiations between the Lessor and the Lessee with reference to: (i) the appraised value of the Leased Assets as at 20 July 2020 as set out in the valuation report issued by an independent and qualified PRC valuer using the cost approach of approximately RMB557,191,100.00; and (ii) the prevailing rate for finance lease arrangement offered by the Lessor to its clients.

## **Lease back arrangement**

Pursuant to the Finance Lease Agreement, the Lessor agreed to lease the Leased Assets to the Lessee for a Lease Term of 36 months starting from the date of payment of the Purchase Consideration by the Lessor to the Lessee. The Purchase Consideration shall be paid to the Lessee upon: (i) the signing of the Finance Lease Agreement; (ii) written application by the Lessee to the Lessor within one month after the signing of the Finance Lease Agreement; and (iii) satisfaction of the following conditions:

1. the Finance Lease Agreement and other relevant documents have been duly signed and become effective;
2. the Lessor has obtained the board resolutions of the Lessee approving the Finance Lease Agreement and the transaction contemplated thereunder;
3. the Lessor has received the early-stage payment (such as the initial rental payment) from the Lessee;
4. the Guarantee Agreement has been duly executed and become effective. If the guarantor is required to register the Guarantee, then the relevant registration documents shall also be delivered to the Lessor;
5. the Lessor has received the supporting documents proving the ownership of the Leased Assets by the Lessee;
6. the Lessee has delivered to the Lessor a signed confirmation in the format stipulated in the appendix to the Finance Lease Agreement;
7. the Lessee has not breached the terms of the Finance Lease Agreement;
8. other conditions as set out in the Finance Lease Agreement; and
9. other conditions as reasonably requested by the Lessor.

## **Lease Payment**

The estimated aggregate amount of Lease Payment is approximately RMB549,401,142.48, which comprises: (i) the initial rental payment of RMB7,500,000, which is an arrangement fee for the finance lease arrangement, which is determined after arm's length negotiations and based on the rate as agreed by the Lessor and the Lessee; (ii) the total principal amount of RMB500,000,000; and (iii) the estimated aggregate interest of RMB41,901,142.48. The initial rental payment shall be payable on the commencement date of the Lease Term. The balance of the Lease Payment (i.e. the total principal amount and the interest) shall be payable in a total of six half-yearly instalments.

## **Interest rate**

The interest rate for each instalment of Lease Payment shall be based on a nominal reference interest, being the above-five-year LPR minus 123 basis points (the "**Reference Interest Rate**") as at 20 July 2020 and the interest rate will not be adjusted during the Lease Term. If the Reference Interest Rate has not been published or is zero or negative in value, the Lessor shall have the right to substitute the Reference Interest Rate with an interest rate ascertained based on its reasonable capital cost. If the Lessee does not agree with the substituted interest rate, it shall have the right to terminate the Finance Lease Agreement after payment of the early termination fee (including but not limited to the due but unpaid Lease Payment as at the early termination date, the part of the principal amount of the undue Lease Payment and the respective interest as at the early termination date calculated based on the Reference Interest Rate, termination fee, damage compensation fee, the Repurchase Consideration and other payable amounts as stipulated in the Finance Lease Agreement).

As at the date of this announcement, the aggregate interest is estimated at RMB41,901,142.48, based on the Reference Interest Rate of 3.42%, being the above-five-year LPR of 4.65% as at 20 July 2020 minus 123 basis points.

## **Ownership of the Leased Assets during and after the Lease Term**

The Leased Assets comprise certain amusement and ancillary facilities (such as roller coaster and waterpark facilities) used in Chengdu Happy Valley currently owned by the Lessee. During the Lease Term, the Leased Assets shall be owned by the Lessor and the Lessee will be entitled to occupy and use the Leased Assets.

Upon expiry of the Finance Lease Agreement, provided that the Lessee has performed its payment obligations (including but not limited to the payment of Lease Payment and other payable amounts), the Lessee shall purchase the Leased Assets at the Repurchase Consideration of RMB1.00.

## **Guarantee**

The obligations under the Finance Lease Agreement are secured by the Guarantee Agreement entered into between OCT Ltd. (as guarantor) and the Lessor (as guarantee). Pursuant to the Guarantee Agreement, OCT Ltd. agreed to provide irrevocable joint liability guarantee for the Lessee's liabilities

under the Finance Lease Agreement from the date of the Finance Lease Agreement to a date of two calendar years after the date on which the Lessee has fulfilled the last Lease Payment obligation under the Finance Lease Agreement. The scope of the Guarantee includes all of the Lessee's liabilities under the Finance Lease Agreement, including but not limited to Lease Payment, termination fee, handling fee, damage compensation fee, other relevant payable amounts, legal fee, arbitration fee, notarial fee and other relevant costs incurred from realisation of the claim by the Lessor.

## **FINANCIAL IMPACT OF THE FINANCE LEASE AGREEMENT**

During the Lease Term, the ownership of the Leased Assets will be vested in the Lessor. The Lessee shall have the right to possess and use the Leased Assets.

In accordance with the requirements of Hong Kong Financial Report Standards 16, *Leases*, the Lease shall be recognised as a financial liability which will not give rise to any gain or loss, or reduction in value of the Leased Assets at initial recognition.

## **REASONS FOR AND BENEFITS OF THE FINANCE LEASE**

The funds received under the Finance Lease Agreement shall be used for repayment of loans from the shareholders and related parties of the Lessee and as the operating costs of Chengdu Happy Valley (including the maintenance fee of the Leased Assets and daily operation costs).

The Finance Lease is a financing transaction that allows the Group to secure financing whilst the Group will continue to utilise the Leased Assets, which could expand the financing channels of the Group and provide additional working capital for the Group's operation. The terms of the Finance Lease Agreement are determined after arm's length negotiations with reference to the appraised value of the Leased Assets, the prevailing market interest rates and the terms of the finance lease agreements of the Lessor offered to other third parties.

Based on the aforesaid, the Directors consider that the terms of the Finance Lease Agreement are on normal commercial terms, and the Finance Lease Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP AND THE LESSEE**

The Company is an investment holding company. The Group is principally engaged in the comprehensive development business (including the development and operation of tourism theme park, development and sale of residential properties, construction contract, development and management of properties, and property investment), equity investment and fund business, and finance lease business.

The Lessee is a company with limited liability established in the PRC. It is an indirect non-wholly owned subsidiary of the Company and is owned as to 50.99% by Bantix International, an investment holding company and a wholly-owned subsidiary of the Company. The Lessee is principally engaged in tourism and real estate development business, which includes the Chengdu OCT Project. Chengdu OCT Project is a large comprehensive development project located at both sides of Shaxi Line of Outer Sanhuan Road of the Jinniu District in Chengdu City in the Sichuan Province, and comprises a premium residential community, urban entertainment and commercial complex and a Happy Valley theme park, with a total gross floor area of approximately 1,827,000 square metres.

## **INFORMATION OF THE LESSOR**

CMB Financial Leasing Co., Ltd. is a financial leasing company established in the PRC. It is wholly-owned by China Merchants Bank Co., Ltd., a commercial bank and a joint stock company established in the PRC, and the shares of which are duly listed on the Shanghai Stock Exchange (stock code: 600036) and the main board of the Stock Exchange (H shares stock code: 03968, preference shares stock code: 04614).

## **LISTING RULES IMPLICATION**

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As no Shareholder has material interest in the Finance Lease Agreement and the transaction contemplated thereunder, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Finance Lease Agreement and the transaction contemplated thereunder. The Company has obtained a written approval from Pacific Climax, which, as at the date of this announcement, held 530,894,000 Shares (representing approximately 70.94% of the issued share capital of the Company) for the approval of the Finance Lease Agreement and the transaction contemplated thereunder in lieu of a resolution to be passed at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As such, no extraordinary general meeting will be convened by the Company to approve the Finance Lease Agreement and the transaction contemplated thereunder.

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bantix International”	Bantix International Limited (耀豪國際有限公司), a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company
“Board”	the board of Directors of the Company
“Chengdu OCT Project”	a large comprehensive development project which is developed and managed by the Lessee and contain premium residential community, urban entertainment and commercial complex and a Happy Valley theme park on a plot of land located at both sides of Shaxi line of Outer Sanhuan Road of the Jinniu District in Chengdu City in the Sichuan Province of the PRC
“Company”	Overseas Chinese Town (Asia) Holdings Limited (華僑城(亞洲)控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Lease”	the finance lease transactions as stipulated in the Finance Lease Agreement
“Finance Lease Agreement”	the finance lease agreement dated 13 August 2020 entered into by the Lessor and the Lessee
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by OCT Ltd. to the Lessor pursuant to the Guarantee Agreement
“Guarantee Agreement”	the guarantee agreement dated 13 August 2020 entered into between OCT Ltd. and the Lessor, pursuant to which OCT Ltd. shall provide joint liability guarantee for the Lessee’s liabilities to the Lessor under the Finance Lease Agreement

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leased Asset(s)”	the amusement and ancillary facilities (such as roller coaster and waterpark facilities) used in Chengdu Happy Valley currently owned by the Lessee to be leased by the Lessee pursuant to the Finance Lease Agreement
“Lease Payment”	the payment by the Lessee to the Lessor for the leasing of the Leased Assets pursuant to the Finance Lease Agreement
“Lease Term”	the lease term of 36 months under the Finance Lease Agreement
“Lessee”	成都天府華僑城實業發展有限公司 (Chengdu Tianfu OCT Industry Development Co., Ltd.), a company established in the PRC and a non-wholly owned subsidiary of the Company
“Lessor”	CMB Financial Leasing Co., Ltd. (招銀金融租賃有限公司), a financial leasing company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LPR”	the loan prime rate as published under the authorisation of the PBOC by the National Interbank Funding Center (全國銀行間同業拆借中心) in the PRC from time to time
“OCT (HK)”	Overseas Chinese Town (HK) Company Limited, a company incorporated in Hong Kong with limited liability and wholly owned by OCT Ltd.
“OCT Ltd.”	Shenzhen Overseas Chinese Town Company Limited (深圳華僑城股份有限公司), a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, is a controlling shareholder of the Company and is wholly-owned by OCT (HK)
“PBOC”	the People’s Bank of China



“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchase Consideration”	the consideration for the transfer of the Leased Assets from the Lessee to the Lessor pursuant to the Finance Lease Agreement
“Repurchase Consideration”	the nominal consideration for the repurchase of the Leased Assets after the Lease Term pursuant to the Finance Lease Agreement
“RMB”	the lawful currency of the PRC
“Shares”	the share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

*In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail.*

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

Hong Kong, 13 August 2020

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