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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**  
**ESTABLISHMENT OF A FUND**

The Board is pleased to announce that on 19 July 2021, the Group entered into the Limited Partnership Agreement in relation to the establishment of the Fund.

The total capital contribution to be subscribed by all Partners to the Fund is RMB1,000,000,000. The capital contribution to be subscribed by OCT Huaxin, Shenzhen OCT Gangya, Zijing Huatong, Nantong Industry, Nantong Sutong and Yiwu Finance will be RMB10,000,000, RMB390,000,000, RMB10,000,000, RMB300,000,000, RMB200,000,000 and RMB90,000,000, respectively. OCT Huaxin will be a general partner, the executive partner and the manager of the Fund, Zijing Huatong will be a general partner and the executive partner of the Fund, Shenzhen OCT Gangya, Nantong Industry, Nantong Sutong and Yiwu Finance will be limited partners.

**LISTING RULE IMPLICATIONS**

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the transaction contemplated under the Limited Partnership Agreement exceeds 25% but less than 100%, the transaction contemplated under the Limited Partnership Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

As no Shareholder has material interest in the Limited Partnership 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 Limited Partnership 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 Limited Partnership 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 Limited Partnership Agreement and the transaction contemplated thereunder.

In addition, a circular containing, among other things, further details of the Limited Partnership 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 2021, 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.

The Board is pleased to announce that on 19 July 2021, the Group entered into the Limited Partnership Agreement in relation to the establishment of the Fund.

### **ESTABLISHMENT OF A FUND**

Principal terms of the Limited Partnership Agreement are set out as follows:

#### **Date**

19 July 2021

#### **Parties**

- (1) OCT Huaxin, as general partner, executive partner and manager;
- (2) Zijing Huatong, as general partner, executive partner;
- (3) Shenzhen OCT Gangya, as limited partner;
- (4) Nantong Industry, as limited partner;
- (5) Nantong Sutong, as limited partner; and
- (6) Yiwu Finance, as limited partner.

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, Zijing Huatong, Nantong Industry, Nantong Sutong and Yiwu Finance and their respective ultimate beneficial owners are Independent Third Parties.

## **Name of the Fund**

南通蘇錫通紫荊華鑫創業投資合夥企業(有限合夥)(Nantong Suxitong Zijing Huaxin Venture Investment Partnership Enterprise (Limited Partnership)\*) (the final name of which is subject to the approval of the administrative department for industry and commerce).

## **Term of the Fund**

The term of the Fund will be ten years, which can be extended for another year upon agreement by more than half of the members of the consultation committee of the Fund and further extended upon agreement of all members of the said consultation committee. The period for investment by the Fund is three years from the date of filing with 中國證券投資基金業協會 (The Asset Management Association of China\*), which can be further extended of not more than one year upon consent of the general partners.

## **Purpose and investment scope of the Fund**

### *Purpose*

The purpose of the Fund is to make investment with a view to obtaining good investment returns for all the Partners.

### *Investment scope*

The Fund shall principally be engaged in investment in sub-funds in the fields of science and technology, culture, tourism and mass consumption etc. and co-investment projects capable of bringing high returns, while not less than 75% of the investment capital shall be invested in newly-established sub-funds, which mainly includes: (1) top comprehensive sub-funds in China; sub-funds in featured industries, focusing on sub-funds which invest in strategic emerging industries such as advanced manufacturing, healthcare, energy and environmental protection, information technology; (2) as a co-investor, participate in the project(s) invested by the Fund through direct investment.

The investment of the Fund will be subject to certain restrictions unless agreed by all members of the consultation committee of the Fund, e.g. not less than 60% of the total amount available for sub-funds investment shall be invested in sub-funds in the fields of science and technology, not more than 40% of the total amount available for sub-funds investment shall be invested in sub-funds in the fields of healthcare, cultural, tourism, consumptions, etc., not more than 15% of the total subscribed capital of the Fund shall be used for investments as co-investors in the project(s) invested by the Fund.

## Capital Commitment

The total capital contribution subscribed by all Partners to the Fund is RMB1,000,000,000. The amount and proportion of the capital contribution subscribed by each of the Partners are set out below:

<b>Partners</b>	<b>Total subscribed capital contribution (RMB'000)</b>	<b>Approximate proportion of capital contribution in the Fund</b>
OCT Huaxin	10,000	1%
Shenzhen OCT Gangya	390,000	39%
Zijing Huatong	10,000	1%
Nantong Industry	300,000	30%
Nantong Sutong	200,000	20%
Yiwu Finance	90,000	9%
Total	<u>1,000,000</u>	<u>100.00%</u>

The Partners shall pay up their respective capital contribution by installments. The executive partners shall give not less than one month notice to the Partners before the due date of contribution.

The total amount of capital contribution subscribed by the Partners to the Fund was determined after arm's length negotiations between the Partners and with reference to the intended share in the Fund to be contributed by each Partner. The Group intends to finance its capital contribution by its internal resources and/or borrowings.

## Management of the Fund

OCT Huaxin and Zijing Huatong, as the executive partners of the Fund, are responsible for, among other things, management of operation, investment and other matters of the Fund save for matters that are within the authority of the investment committee of the Fund, and/or maintenance of the assets of the Fund, and inquiry into the qualification of the transferee in case of transfer of the equity interest by any limited partner.

The executive partners will enter into the Management Entrustment Agreement upon establishment of the Fund to entrust the aforesaid responsibilities to OCT Huaxin in its capacity as the manager of the Fund.

The general partners shall assume unlimited joint liabilities for the Fund's debt.

The limited partners shall not participate in management or exercise of any control in the investment of the Fund or conducting any activity in the Fund's name.

An investment committee of the Fund will be set up to make final decision on the material investment matters of the Fund in accordance with the terms of the Limited Partnership Agreement. The investment committee consists of five members, according to the Cooperation Agreement, two of whom shall be nominated by OCT Huaxin, one shall be nominated by each of Zijing Huatong, 南通投資管理有限公司 (Nantong Investment Management Company Limited\*) (a company wholly owned by Nantong Industry and 清控資產管理有限公司 (Tsingkong Asset Management Company Limited\*), a company wholly owned by Tsinghua Holding Limited which is wholly owned by Tsinghua University. All the resolutions of the investment committee shall be passed with not less than four-fifth votes by the members of the investment committee.

A consultation committee of the Fund will be set up to discuss and made decision on matters regarding, among others, waiving certain investment restrictions of the Fund before submission of the matters to the investment committee for final decision. Limited partners whose subscribed capital are of RMB50,000,000 or more can nominate one member to the consultation committee. Except for matters concerning, among others, waiving certain investment restrictions which require consent of all members of the consultation committee, resolutions of the consultation committee shall be passed by majority.

#### ***Fee payable to manager and executive partners***

Management fee shall be payable by the Fund to the manager of the Fund for the six months ending 30 June and six months ending 31 December every year, the fee shall be calculated with the formula below:

(Total subscribed capital contribution of the Partners – investment amount of investment project(s) already realized by the Fund during the preceding period) x 0.2%

Remuneration shall be payable by the Fund to the executive partners of the Fund for the six months ending 30 June and six months ending 31 December every year, the fee shall be calculated with the formula below:

(Total subscribed capital contribution of the Partners – investment amount of investment project(s) already realized by the Fund during the preceding period) x 0.8%

The remuneration shall be split between the two executive partners of the Fund according to their actual capital contribution proportion.

### ***Partners' meeting***

The Partners' meeting will be responsible for approving matters in relation to, among other things, merger, change of the organisation structure, withdrawal from or transfer of interest in Fund by general partners and early dissolution of the Fund.

Except for matters in relation to withdrawal from or transfer of interest in Fund by general partners and early dissolution of the Fund which require unanimous consent of all limited partners, resolutions of the Partners' meeting shall be passed general partners and limited partners with subscribed capital of not less than two-third of the total subscribed capital of the limited partners.

### **Profit distribution and loss sharing**

#### ***Profit distribution***

The executive partners shall distribute all distributable income of the Fund whenever such amount is of RMB20,000,000 or more in the following order and manner:

- (1) to the Partners according to their actual capital contribution proportion of an amount up to the actual capital contribution paid by the respective Partners;
- (2) if there is any residual distributable income, to the Partners according to their actual capital contribution proportion of an amount up to an annualized rate of return of 6% on the actual capital contribution paid by each of the Partners (the "**Return**");
- (3) if there is any residual distributable income, to the two general partners of the Fund of a total amount up to:  
  
the  $\text{Return}/90\% \times 10\%$   
  
according to their actual capital contribution proportion; and
- (4) if there is any residual distributable income, 90% to be distributed to the Partners; and 10% to be distributed to the general partners of the Fund, each according to their actual capital contribution proportion.

According to a market study report on the PRC private equity and venture capital firms issued by a leading Chinese service provider that has been advising numerous limited partnership, venture capital, private equity, and strategic investors in the area of real estate investment, among other fields, since 2001, a majority of the investment vehicles will give annualized rates of return ranging from 6% to 12% cover a vast majority of the cases studied. These rates of return are consistent with the industry knowledge and experience of the Directors. Having considered such industry figures and knowledge and experience of the Directors, and after arm's length negotiation between the Partners, it was agreed that the Partners shall enjoy an annualized rate of return of 6%, if available, on the actual

capital contribution paid by the Partners and the general partners will enjoy extra return over limited partners shall there be any balance left. The said 6% distribution to the Group represents the minimum expected return of the Fund. Given the aforesaid, the Directors are of the view that the proposed income distribution of the Fund are fair and reasonable and in the interests of the Group.

### ***Loss sharing***

The Partners shall bear the losses up to their respective capital contributions subscribed by each Partner. If the total subscribed capital contributions are insufficient to cover the losses, the amount of losses exceeding the total subscribed capital contributions shall be borne by the general partners on an unlimited and several basis.

### **Withdrawal from and transfer of interest in the Fund**

Executive partners can consent to the request of early withdrawal of limited partner(s) from the Fund upon establishment of the Fund. Subject to the terms of the Limited Partnership Agreement, a limited partner may transfer its interest (in whole or in part) before obtaining unanimous consent from all general partners of the Fund.

The general partners shall not withdraw from or transfer its interest in the Fund to third parties before obtaining unanimous consent from all limited partners of the Fund.

### **Admission of additional limited partners**

Upon establishment of the Fund, the executive partners of the Fund shall have the right to admit new limited partners or accept additional capital contribution from existing limited partners, subject to a maximum additional capital of three times the total subscribed capital of the Fund at the time of first filing with 中國證券投資基金業協會 (The Asset Management Association of China\*) within 12 months from the date of the said filing. Unless agreed by all members of the consultation committee of the Fund, the executive partners of the Fund shall not admit new limited partners or accept additional capital contribution from existing limited partners after 12 months. The limited partners shall have first right of refusal according to their actual capital contribution proportion when the executive partners decide to increase the total subscribed capital of the Fund in accordance with the terms of the Limited Partnership Agreement.

### **INFORMATION ON THE GROUP**

The principal business activity of the Company is investment holding. The Group is principally engaged in the comprehensive development business (including the developed and sold residential properties, construction contract, development and management of properties, and property investment), equity investment and fund business.

OCT Huaxin is an indirect wholly-owned subsidiary of the Company, which is established under the laws of the PRC with limited liability. It is principally engaged in equity investment, fund management, investment management and entrusted asset management/investment and enterprise management consulting.

Shenzhen OCT Gangya is an indirect wholly-owned subsidiary of the Company, which is established under the laws of the PRC with limited liability. It is principally engaged in investment holding and enterprise management consulting.

## **INFORMATION ON ZIJING HUATONG, NANTONG INDUSTRY, NANTONG SUTONG AND YIWU FINANCE**

To the best of the Director's information having made all reasonable enquiries, Zijing Huatong is a company established under the laws of the PRC with limited liability and is an Independent Third Party owned as to (i) 45% by 北京紫荊華盈投資管理中心(有限合夥) (Beijing Zijing Huaying Investment Management Center (Limited Partnership)\*) which is ultimately owned by 李國文 and 沈正寧, (ii) 35% by 北京紫荊華信投資管理中心(有限合夥) (Beijing Zijing Huaxin Investment Management Centre (Limited Partnership)) which is ultimately owned by Tsinghua University, 李國文 and 沈正寧, and (iii) 20% by 南通投資管理有限公司 (Nantong Investment Management Company Limited\*) (a company wholly owned by Nantong Industry). Zijing Huatong is principally engaged in business management and information consultancy services.

To the best of the Director's information having made all reasonable enquiries, Nantong Industry is a company established under the laws of the PRC with limited liability and is an Independent Third Party owned by Nantong People's Government, 南通市人民政府國有資產監督管理委員會 (Nantong City People's Government State-owned Assets Supervision and Administration Commission\*), 南通市財政局 (Nantong City Bureau of Finance\*) and 江蘇省財政廳 (Jiangsu Provincial Department of Finance\*). Nantong Industry is principally engaged in equity investment, venture capital, and investment management.

To the best of the Director's information having made all reasonable enquiries, Nantong Sutong is a company established under the laws of the PRC with limited liability and is an Independent Third Party wholly owned by Nantong People's Government. Nantong Sutong is principally engaged in infrastructure investment, hotel management and property development.

To the best of the Director's information having made all reasonable enquiries, Yiwu Finance is a company established under the laws of the PRC with limited liability and is an Independent Third Party wholly owned by 義烏市國有資本運營有限公司 (Yiwu State-Owned Capital Operation Co., Ltd.\*), which is owned as to (i) 90.5618% by 義烏市人民政府國有資產監督管理辦公室 (Yiwu City People's Government State-owned Assets Supervision and Administration Office\*) and (ii) 9.4382% by 浙江省財務開發有限責任公司 (Zhejiang Province Financial Development Limited\*), which is wholly owned by 浙江省財政廳 (Zhejiang Provincial Department of Finance\*). Yiwu Finance is principally engaged in government equity investment, asset management, investment management and investment consultation.



## **REASONS FOR AND BENEFIT OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT**

The Fund shall principally be engaged in investment in sub-funds in the fields of science and technology, culture, tourism and mass consumption etc. and co-investment projects capable of bringing high returns. The investment of the Fund is in line with the Group's strategy. The Directors believe that the Fund will enable the Group to obtain more resources of projects and further expand its investment portfolio.

Having considered the above, the Directors are of the view that the terms of the Limited Partnership Agreement are on normal commercial terms that are fair and reasonable, and the Limited Partnership Agreement are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the transaction contemplated under the Limited Partnership Agreement exceeds 25% but less than 100%, the transaction contemplated under the Limited Partnership Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

As no Shareholder has material interest in the Limited Partnership 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 Limited Partnership 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 Limited Partnership 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 Limited Partnership Agreement and the transaction contemplated thereunder.

In addition, a circular containing, among other things, further details of the Limited Partnership 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 2021, 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.

## **DEFINITIONS**

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

“ancillary documents”	documents in relation to establishment, operation and management of the Fund to be entered into by the Group other than the Limited Partnership Agreement, including but not limited to the Cooperation Agreement and the Management Entrustment Agreement
“Board”	the board of directors of the Company
“Business Day(s)”	a day on which licensed banks in the PRC are open for business
“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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement to be entered into between OCT Huaxin and Zijing Huatong in relation to the operation of the Fund
“Director(s)”	the directors of the Company
“Fund”	南通蘇錫通紫荊華鑫創業投資合夥企業(有限合夥) (Nantong Suxitong Zijing Huaxin Venture Investment Partnership Enterprise (Limited Partnership)*) (the final name of which is subject to the approval of the administrative department for industry and commerce), a limited partnership to be established, operated and managed pursuant to the Limited Partnership Agreement and ancillary documents
“Group”	the Company and its subsidiaries as at the date of this announcement
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	parties independent of and not connected with the Company and its connected persons

“Limited Partnership Agreement”	the partnership agreement dated 19 July 2021 entered into among OCT Huaxin, Zijing Huatong, Shenzhen OCT Gangya, Nantong Industry, Nantong Sutong and Yiwu Finance in relation to the establishment of the Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Entrustment Agreement”	the management entrustment agreement to be entered into between the Fund, OCT Huaxin and Zijing Huatong upon establishment of the Fund in relation to entrustment of management of the Fund by the executive partners to OCT Huaxin in its capacity as the manager of the Fund
“Nantong Industry”	南通市產業投資母基金有限公司 (Nantong Industry Investment Master Fund Limited*), a company established in the PRC
“Nantong Sutong”	南通蘇通科技產業園控股發展有限公司 (Nantong Sutong Technology Industry Park Holding Development Limited*), a company established in the PRC
“Partners”	general partners and limited partners of the Fund, being Zijing Huatong, OCT Huaxin, Shenzhen OCT Gangya, Nantong Industry, Nantong Sutong and Yiwu Finance at establishment
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“related party(ies)”	a person or entity who has control, joint control, or significant influence over the relevant entity, or the other person or entity who is controlled, jointly controlled, or significantly influenced by the same person or entity
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholders of the Company

“OCT Huaxin”	深圳市華僑城華鑫股權投資管理有限公司 (Shenzhen OCT Huaxin Equity Investment Management Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Shenzhen OCT Gangya”	深圳華僑城港亞控股發展有限公司 (Shenzhen OCT Gangya Holdings Development Co. Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yiwu Finance”	義烏市金融控股有限公司 (Yiwu Finance Holding Limited*), a company established in the PRC
“Zijing Huatong”	南通紫荊華通企業管理有限公司 (Nantong Zijing Huatong Corporate Management Limited*), a company established in the PRC
“%”	per cent.

\* *For identification only, 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, 19 July 2021

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