THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in **Overseas Chinese Town (Asia) Holdings Limited** (the "**Company**"), you should hand this circular at once to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

PROPOSED MANDATE FOR POTENTIAL VERY SUBSTANTIAL DISPOSAL INVOLVING DISPOSAL OF PARTIAL INTERESTS IN SHOUCHI ENTERPRISE THROUGH PUBLIC TENDER AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the EGM to be held at the conference room of the Company on 3/F, Jacaranda IBC, OCT Harbour, Baishi Road, Nanshan District, Shenzhen, PRC on Wednesday, 9 November 2022, 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you plan to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

For the health and safety of the Shareholders, **the Company encourages the Shareholders to appoint the Chairman of the meeting as their proxy to vote on the relevant resolution at the EGM** by completing and returning the form of proxy accompanying this circular in accordance with the instructions printed thereon.

Shareholders and the proxies who attend the EGM physically must strictly comply with the pandemic prevention requirements of local governmental departments. Please wear a mask and keep a safe distance during the whole process. Please follow the arrangements of the staff and cooperate with the implementation of pandemic prevention measures, including (among other things) attendee registration, temperature checks, health and travel information inquiry, health code scanning and presentation, etc. Shareholders and their proxies who do not meet the requirements of the pandemic prevention policies will not be able to attend the EGM.

Please also refer to page ii of this circular for the additional information regarding precautionary measures to be implemented at the EGM. The Company may implement further changes and precautionary measures as appropriate.

25 October 2022

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For the health and safety of the Shareholders, **the Company encourages the Shareholders to appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM** by completing and returning the form of proxy accompanying this circular in accordance with the instructions printed thereon.

If any shareholder chooses not to attend the EGM in person but has any questions about any resolution or about the Company, or has any matters for communication with the Board, he/she is welcome to send such question or matter in writing to the Company at ir-asia@chinaoct.com.

The health and safety of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement (among others) the following precautionary measures at the EGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

(i) Compulsory body temperature checks, health and travel information inquiry, health code scanning will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue and a health registration form must be filled out.

(ii) All attendees are required to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats. Therefore, the number of seats at the EGM venue will be subject to restrictions and if necessary, the Company may restrict the number of people attending the EGM to avoid overcrowding at the venue.

(iii) No refreshment will be served, and there will be no corporate gift.

(iv) The number of management of the Company attending the EGM in person will also be subject to restrictions. The Directors who will not attend the meeting in person will participate by video conference.

To the extent permitted by law, the Company reserves the right to deny entry into the meeting venue or require any person to leave the venue so as to ensure the health of the meeting attendees, among other things, if such person:

(i) Refuses to comply with any of the precautionary measures or arrangement adopted at the meeting;

(ii) Is having a body temperature of over 37.2 degree Celsius; or

(iii) Exhibits respiratory infection symptoms or is apparently unwell.

In the interest of all attendees' health and safety, the Company wishes to advise all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. By using proxy forms with voting instructions duly completed, Shareholders may appoint the Chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"CBEX"	China Beijing Equity Exchange
"Company"	Overseas Chinese Town (Asia) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on 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 it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Proposed Disposal and the grant of the Proposed Mandate
"Final Consideration"	the final consideration for the Proposed Disposal
"Group"	the Company and its subsidiaries
"Guarantee Fee"	as defined in the section headed "*Proposed Disposal through Public Tender – Procedure of the Public Tender*" in the Letter from the Board
"HK$"	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
"JV Arrangements"	the arrangements between OCT Shanghai Land and the Purchaser (and where applicable, the Target Company) pursuant to the expected major terms of the shareholders' agreement and/or articles of association of the Target Company to be entered into. See the section headed *"Proposed Disposal through Public Tender – JV Arrangements of the Target Company"* in the Letter from the Board

"Latest Practicable Date"	21 October 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Minimum Price"	as defined in the section headed "*Proposed Disposal through Public Tender – Consideration*" in the Letter from the Board, being the minimum amount OCT Shanghai Land may set as the Tender Base Price under the Proposed Mandate
"OCT Shanghai Land"	Overseas Chinese Town (Shanghai) Land Company Limited (華僑城(上海)置地有限公司), a company incorporated in the PRC with limited liability, and an indirect non-wholly-owned subsidiary of the Company
"Ongoing Arrangements"	(1) the leasing of 133 apartments of the Property by the Target Company to OCT Shanghai Land pursuant to an entire lease agreement (as amended from time to time) between OCT Shanghai Land and the Target Company, and (2) the provision of marketing management consultation services by OCT Shanghai Land to the Target Company pursuant to a marketing management consultation agreement expected to be entered into prior to the Proposed Disposal. See the section headed "*Information of the Target Company*" in the Letter from the Board
"Property"	133 apartments situated at Shanghai and the corresponding land use rights. See the section headed "*Information of the Target Company*" in the Letter from the Board
"Proposed Disposal"	the proposed disposal of the Sale Interests
"Proposed Mandate"	a mandate proposed to be granted in advance by the Shareholders to the Directors to enter into and complete the Proposed Disposal through Public Tender
"Public Tender"	the public tender for the Proposed Disposal through CBEX
"Publication Notice"	as defined in the section headed "*Proposed Disposal through Public Tender – Procedure of the Public Tender*" in the Letter from the Board
"Publication Period"	the publication period for the Public Tender during which qualified bidders may submit to CBEX their applications for the bid

"Purchaser"	the successful bidder of the Public Tender
"Remaining Group"	the Group excluding the Target Company
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Interests"	51% equity interests in the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the share(s) of the Company
"Shareholder(s)"	the shareholders of the Company
"Shenzhen OCT Real Estate"	Shenzhen OCT Real Estate Company Limited, a company incorporated in the PRC with limited liability, and an associate of Overseas Chinese Town Enterprises Company (a controlling shareholder of the Company)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisory Approvals"	approvals which are necessary or appropriate pursuant to the Measures for the Supervision and Administration of the Transactions of State-owned Assets of Enterprises for the Proposed Disposal
"Target Company" or "Shouchi Enterprise"	Shanghai Shouchi Enterprise Management Ltd. (上海首馳企業管理有限公司), a company incorporated in the PRC with limited liability, and an indirect non-wholly-owned subsidiary of the Company prior to the Proposed Disposal
"Tender Base Price"	the base bidding price for the Sale Interests through Public Tender to be determined by and submitted to the CBEX by the Group, which in any event shall not be lower than the Minimum Price
"Transaction Agreement"	a property right transaction agreement expected to be entered into between OCT Shanghai Land and the Purchaser with respect to the Proposed Disposal
"%"	percent

Certain Chinese names of institutions, natural persons or other entities have been translated into English and included in this circular as unofficial translations for reference only. In the event of any inconsistency, the Chinese names shall prevail.

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)

Executive Directors:
Mr. Zhang Dafan *(Chairman)*
Ms. Xie Mei *(Chief Executive Officer)*
Mr. Lin Kaihua

Non-executive Director:
Mr. Wang Wenjin

Independent Non-executive Directors:
Ms. Wong Wai Ling
Professor Lam Sing Kwong Simon
Mr. Chu Wing Yiu

Registered Office:
Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head Office and Principal Place of Business:
59/F., Bank of China Tower
1 Garden Road
Hong Kong

25 October 2022

To the Shareholders

Dear Sir or Madam,

PROPOSED MANDATE FOR POTENTIAL VERY SUBSTANTIAL DISPOSAL INVOLVING DISPOSAL OF PARTIAL INTERESTS IN SHOUCHI ENTERPRISE THROUGH PUBLIC TENDER

INTRODUCTION

Reference is made to the announcement of the Company dated 5 October 2022 with respect to the Proposed Disposal and the announcement of the Company dated 21 October 2022 with respect to the JV Arrangements. The purpose of this circular is to provide you with, among other things, further details of the Proposed Disposal.

PROPOSED DISPOSAL THROUGH PUBLIC TENDER

OCT Shanghai Land (an indirect non-wholly-owned subsidiary of the Group) intends to dispose of the Sale Interests through Public Tender to be conducted on CBEX.

OCT Shanghai Land is a state-controlled enterprise. Accordingly, the Proposed Disposal, as a disposal of OCT Shanghai Land's state-owned assets or equity interests, is required by the laws and regulations of the PRC governing the disposal of state-controlled assets to undergo the process of public tender through a qualified equity exchange institution.

Major Terms of the Proposed Disposal

Subject matter

The Sale Interests, being 51% equity interests in the Target Company

Qualification of the bidders

The Proposed Disposal will be conducted through Public Tender on CBEX. The successful bidder of the Public Tender will be the Purchaser. Potential bidders shall satisfy, among others, the following qualifications:

i. It shall be a corporation or a non-corporate organization, that is legally established with valid continuing existence, or shall be a natural person with full civil capacity;

ii. It shall be financially sound, with ability to pay and with business credibility; and

iii. Other qualifications stipulated under applicable laws, rules and regulations.

A bidder will be required to undertake that it and its ultimate beneficial owners are not connected persons of the Company. The Group will also verify the qualification of the interested bidders, and any interested bidder who is a connected person of the Company will be disqualified and rejected from participating in the Public Tender. In light of such, the Company believes that the Purchaser will not be a connected person of the Company.

Procedure of the Public Tender

Pursuant to the relevant regulatory requirements in the PRC, a preliminary disclosure of the information relating to the Proposed Disposal has been published on CBEX's website as set out in the Company's announcement dated 30 September 2022.

To commence the formal process of the Public Tender, OCT Shanghai Land will submit to CBEX an application to release information on the transfer of assets. Information to be released will include (among other things) information of the Target Company (including its basic information, shareholding structure, and key financial indicators), the Tender Base Price, principal terms of the transaction, and the qualifications of the bidders. CBEX will release such information on its website (the "**Publication Notice**") if the release requirements are met.

The Publication Period, which is subject to the rules of CBEX for the extension, will initially be not less than 20 working days (commencing on the date immediately after the date of the Publication Notice). During the Publication Period, bidders may indicate their intention to purchase the Sale Interests, and register themselves with CBEX as interested bidders. Qualified interested bidders are required to pay a guarantee fee (which is expected to be within the range of 20% to 30% of the Tender Base Price) (the "**Guarantee Fee**") to the designated account of CBEX within the period prescribed by CBEX.

Upon the close of the Publication Period, if there is more than one interested bidder, online bidding will be conducted by CBEX whereby an interested bidder may submit its bidding price multiple times. The interested bidder with the highest bidding price submitted will be the successful bidder. If there is only one interested bidder upon the close of the Publication Period, the Final Consideration will be the price submitted by the Purchaser (which shall not be lower than the Tender Base Price). CBEX will notify OCT Shanghai Land of the identity of the successful bidder (being the Purchaser). OCT Shanghai Land and the Purchaser will finalise the terms of the Proposed Disposal and enter into the Transaction Agreement within three working days after the identity of the Purchaser is confirmed.

In the event that no interested bidder is identified during the Publication Period, OCT Shanghai Land may apply to CBEX to revise certain terms of the listing (including without limitation, to reduce the Tender Base Price). Currently, there is no intention for the Group to reduce the Tender Base Price to a price below the Minimum Price or to materially amend the other terms of the listing. However, where the Group decides to reduce the Tender Base Price to a price below the Minimum Price or to materially amend the other terms of the listing in the event that no interested bidder is identified during the initial Publication Period, the Company will re-comply with the relevant requirements of Chapter 14 under the Listing Rules (including obtaining the Shareholders' approval).

Preliminary disclosure of information relating to the Proposed Disposal has already been published on CBEX's website on 30 September 2022. Upon having the Shareholders' approval of the Proposed Disposal and the Proposed Mandate at the EGM and the Group having obtained the Supervisory Approval, OCT Shanghai Land intends to submit the application to CBEX to commence the formal process and for the Publication Notice to be released in 2022. Afterwards, OCT Shanghai Land intends to complete the Public Tender (expected to be 20 working days from the Publication Notice), enter into the Transaction Agreement and the JV Arrangements and complete the Proposed Disposal in or about December 2022 or early 2023. Shareholders and potential investors are reminded that such expected timeline is based on the Group's best estimation, and subject to market conditions and unforeseen circumstances.

As of the Latest Practicable Date, certain material information of the Transaction Agreement such as the identity of the Purchaser, the Final Consideration, delivery and closing date of the Proposed Disposal have not been finalised. The Company will make further announcement(s) on the Public Tender and the Proposed Disposal as and when appropriate.

Consideration

The Final Consideration of the Sale Interest shall be the winning bid price of the Public Tender pursuant to the procedure set out in the sub-section headed *"Procedure of the Public Tender"* above. OCT Shanghai Land will submit a Tender Base Price to CBEX, which will be released in the Publication Notice. OCT Shanghai Land may also apply to CBEX to adjust the Tender Base Price if no interested bidder is identified during the Publication Period.

The Tender Base Price will be determined by the Group, but will not be lower than RMB584,990,000 (the "**Minimum Price**"). In determining the Minimum Price, the Group has taken into account, among other things, (1) the net asset value of the Target Company as at 31 August 2022 of approximately RMB577 million; (2) the difference (of approximately RMB556 million) between the carrying value of the Property as of 31 August 2022 (approximately RMB1,979 million), when compared to the preliminary appraisal value of the Property as at 31 August 2022 of approximately RMB3,397 million, prepared by an independent property valuer based on market approach (with a net realisable value of investment property of approximately RMB2,535 million), after taking into account fees applied in preparing the property valuation including taxes (such as output tax, sales additional tax, land appreciation tax and income tax) of around RMB0.7 billion, and sales and transaction costs of around RMB0.1 billion; (3) the shareholding percentage proposed to be disposed of; and (4) prospects of the Target Company.

As of 31 August 2022, the Target Company had total liabilities of approximately RMB1,435 million, of which include loans of approximately RMB1,400 million (which have been repaid after 31 August 2022 and replaced by a loan from a commercial bank in the PRC of approximately RMB1,400 million), together with other accounts payable and other payables arising from its ordinary course of business of approximately RMB35 million.

In light of the above and information set out in the section headed *"Reasons for and benefits of the Proposed Disposal"* below, the Board considers that the Final Consideration to be arrived at will be fair and reasonable.

The Final Consideration will be paid in cash in RMB. One-off payment of the Final Consideration (after deducting the Guarantee Fee) shall be made to the designated account of CBEX within three working days after the date of the Transaction Agreement.

Registration of the Proposed Disposal

Application to register the transfer of the Sale Interests will be applied for at the relevant administration for industry and commerce after OCT Shanghai Land having received the entire Final Consideration. Creditors' rights and debts of the Target Company will continue to be borne by the Target Company after the completion of the Proposed Disposal.

Representation and warranties

It is expected that OCT Shanghai Land will give certain representations and warranties in relation to the Target Company in the Transaction Agreement, such as: (i) incorporation and existence of the Target Company; (ii) title and ownership of the Sale Interests; (iii) compliance with applicable laws and regulations; (iv) financial and business conditions and liabilities; and (v) title and ownership of the Property.

Conditions precedent to the Proposed Disposal

The Proposed Disposal will be subject to, among other things, the Shareholders' approval on the Proposed Disposal and the Proposed Mandate at the EGM and the Supervisory Approvals having been obtained. As OCT Shanghai Land (as the transferor of the Proposed Disposal) is a state-controlled enterprise, the Proposed Disposal is required by the laws and regulations of the PRC governing the disposal of state-controlled assets to undergo the process of public tender through a qualified equity exchange institution. Pursuant to the relevant rules of CBEX, publication to formally commence a public tender should only be made after the transferor having completed relevant decision-making and approval procedures. Hence, it would not be practicable to formally commence the Public Tender with a term that the Proposed Disposal be conditional upon the Shareholders' approval. The Board would like to seek the Proposed Mandate to be granted in advance by the Shareholders at the EGM for the Directors to enter into and complete the Proposed Disposal.

JV Arrangements of the Target Company

The Target Company is currently wholly-owned by OCT Shanghai Land. It will be owned by the Purchaser and OCT Shanghai Land after the completion of the Proposed Disposal. It is expected that OCT Shanghai Land and the Purchaser (and where applicable, the Target Company) will enter into a shareholders' agreement and/or a new articles of association (the "**JV Arrangements**") with respect to their rights and obligations as shareholders of the Target Company.

Set out below is a summary of the expected principal terms of the JV Arrangements:

Business scope of the Target Company	Corporate management, car park management, exhibition and display services, property management, and leasing of non-residential real estate (or such other business with the mutual agreement between the shareholders of the Target Company and which could be legally operated by the Target Company pursuant to the laws and regulations of the PRC)
Composition of the board of directors and corporate governance structure	The board of directors of the Target Company shall consist of five directors, out of which the Purchaser will have the right to appoint three directors and OCT Shanghai Land will have the right to appoint two directors. OCT Shanghai Land may designate one of the directors so appointed by it as the chairman of the board of directors of the Target Company (who will also be the legal representative of the Target Company) Resolutions of the board of directors of the Target Company shall only be passed with the approval of all its directors

The financial controller shall be appointed by OCT Shanghai Land, who will oversee and coordinate financial matters of the Target Company. The general manager of the Target Company shall be appointed by the Purchaser. The general manager will be responsible for coordinating the daily operations (other than financial matters) of the Target Company. Internal approval procedures, administration of bank accounts and other material actions of the Target Company will require co-signing (and therefore approval from) at least a representative senior management of the Target Company (including a director, financial controller, or general manager) from each side

Matters such as profit distribution, articles amendments, change in registered capital and other matters requiring approval by shareholders pursuant to applicable laws will be reserved for shareholders' approval. The voting rights of the shareholders shall be based on the proportion of their paid-up capital contribution. Resolutions of the shareholders of the Target Company should only be passed with the approval of all its shareholders

In light of the aforesaid arrangements, unanimous approval will be required from both shareholders (or board representatives from both sides for matters to be decided at the board of directors level) for key decision-making of the Target Company

The Target Company shall have two supervisors. Each of the Purchaser and OCT Shanghai Land will have the right to appoint one supervisor

Matters regarding the Property

The Target Company's decision regarding the Property will be co-determined by both of its shareholders

Operation of the Property shall meet the management and services standard and requirements prescribed by the Property's branding licensor

Dividend distribution and policy	Subject to requirements under the applicable laws and regulations, after setting aside 10% of the after-tax profit as statutory reserve funds of the Target Company (until such statutory reserve funds represent 50% or more of the registered capital of the Target Company), dividend of the Target Company may be declared and paid to its shareholders pro rata to their paid-in capital contribution upon approval of the shareholders, taking into account the prudent and proper reserves and cash, anticipated expenses and working capital of the Target Company
Transfer of shares	The shareholders of the Target Company shall not: (i) transfer any of its rights, obligations and liabilities under the JV Arrangements directly or indirectly to any third party without the prior written consent of the other shareholder of the Target Company (including disposal of their respective equity interests by means such as transfer, pledge, entrustment); and (ii) assign, transfer or novate in any manner their respective shareholder's rights and interests in the Target Company (including voting rights, management rights, distribution rights, etc.) The above transfer restrictions do not restrict any transfer of equity interests in the Target Company by shareholders of the Target Company to its related party(ies) for internal group restructuring provided that such related party(ies) will assume all rights, obligations and responsibilities of the JV Arrangements. In such case, the other shareholder of the Target Company will cooperate in waiving its pre-emptive rights, issuing relevant resolution documents and going through the transfer procedures
Right of first refusal	For transfer of equity interests with the consent of the shareholders, the remaining shareholder(s) shall have the preferential right to acquire the equity interests proposed to be transferred under the same conditions

Mechanisms for resolving deadlock	In a deadlock, parties may negotiate for one of them to acquire all equity interest in the Target Company held by the other party, and for the selling shareholder to withdraw from the JV Arrangements If parties cannot agree on such negotiated acquisition within 30 days of the deadlock, either shareholder shall be entitled to sell its equity interests in the Target Company at its own discretion without seeking the prior consent of the other shareholder, provided that the other shareholder's right of first refusal remains exercisable If, within 120 days after the deadlock, the shareholders have not completed any of the above acquisition, any one shareholder shall be entitled to notify the Target Company and request the Target Company to be dissolved and liquidated. If the Target Company or the other shareholder does not cooperate, the shareholder making such request may apply to the court of law of the place of registration of the Target Company to dissolve the Target Company
Capital support for the Target Company	The Purchaser and OCT Shanghai Land will be responsible for providing capital support to the Target Company in the repayment and provision of guarantee in proportion to their shareholdings in the Target Company The Purchaser and OCT Shanghai Land shall, in accordance with the needs of the Target Company, provide input (including shareholders' loan, capital reserve, credit guarantee, etc.) to support the daily operating expenses of the Target Company. Such input shall be proportionate to parties' respective shareholding, and the input by OCT Shanghai Land is not expected to be more than RMB130 million If the above capital support is to be provided by way of shareholders' loan(s), these loans are expected to be for a term of not more than three years, unsecured, and bear interests at a rate to be negotiated and agreed (but in any event, not more 150% of the three-year loan prime rate published by the People's Bank of China at the time of lending) The Purchaser will be required to pledge the Sale Interests in favour of OCT Shanghai Land to secure its capital support obligation. It will be released upon (among others) the Purchaser having provided the capital support or its cooperation in the loan switching (as the case may be, if the Target Company is required to repay its existing loans or switch its loan due to the Proposed Disposal)

Remedial measures including, among others, liquidated damages and punitive damages may be sought against the defaulting shareholder of the Target Company for failure to provide such capital support

Term and termination

The JV Arrangement shall be effective from the date of the entering into of the relevant shareholders' agreement and the articles of association of the Target Company, and until it being terminated upon any of the following events (whichever is earlier):

(i) termination by mutual agreement of the Purchaser and OCT Shanghai Land;

(ii) the Target Company being dissolved, liquidated, shut down, deregistered, or otherwise cease to exist;

(iii) expiry or revocation of the business licence of the Target Company (currently, up to 27 August 2058);

(iv) all equity interests in the Target Company becoming owned by a single shareholder; or

(v) by reason of applicable laws and regulations

Distribution upon dissolution

If the shareholders of the Target Company resolve to dissolve or deregister the Target Company, subject to applicable laws and regulations, a liquidation group (comprising shareholders of the Target Company) shall be established. The liquidation group shall, among other things, conduct the clearance of assets of the Target Company, and prepare financial statements and lists of assets of the Target Company. The liquidation group shall formulate the liquidation proposal for the approval of the shareholders or where applicable, the People's Court of the PRC

Remaining assets of the Target Company after settling the Target Company's debts, wages, taxes overdue and other items having priority under applicable laws, shall be distributed to the Target Company's shareholders in proportion to their respective shareholdings

The capital support commitment is to be made by both the Purchaser and OCT Shanghai Land in proportion to their respective shareholding. The portion committed by OCT Shanghai Land is not expected to be more than RMB130 million. The Target Company's business operations has been impacted by the pandemic and at its climbing stage. The commitment is set taking into account the Target Company's estimated financial shortfall of about RMB265 million for the forthcoming years from its ongoing financial obligation, including repayment of bank loan and interests of around RMB140 million, marketing management consultation fees, potential compensation under the Ongoing Arrangements and other operating fees estimated to be around RMB120 million, including taxes of around RMB20 million. If any capital support by way of shareholders' loan or capital contribution is required, OCT Shanghai Land expects to fund the capital support from the Group's internal resources.

It is contemplated that the Target Company will be operated jointly by its shareholders (namely, OCT Shanghai Land and the Purchaser). Through the JV Arrangements, the senior management of the Target Company will comprise representatives from both sides (with the chairman of the board of directors (who will also act as the legal representative) and the financial controller to be designated by OCT Shanghai Land, and the general manager to be designated by the Purchaser), and they will be responsible for the management of the Target Company through co-signing arrangements. Aside from such co-management, it is intended that the Purchaser shall contribute to the Target Company through financial support proportionate to its shareholding and (where applicable) utilise its available social resources and connections to facilitate the Target Company's development, while OCT Shanghai Land will assume the daily management of the Property and provide financial support proportionate to its shareholding if so required.

The JV Arrangements are designed to accommodate the Proposed Disposal, and regulate the management and operation of the Target Company. The Target Company will be a joint venture of the Group after the Proposed Disposal, and the JV Arrangements provide OCT Shanghai Land with co-management and co-signing rights, and certain protection as a shareholder to monitor the Target Company. Also, capital support (if required) will be proportionate to parties' shareholdings. In light of such, the Directors are of the view that the JV Arrangements and their key terms are on normal commercial terms, are fair and reasonable, and the JV Arrangements are in the interests of the Company and the Shareholders as a whole.

The Company would like to emphasize that as the identity of the Purchaser could only be known after the completion of the Public Tender, and the terms of the JV Arrangements are yet to be finalised. The JV Arrangements will be liaised and agreed upon after the identity of the Purchaser is confirmed, and in the process of which the Purchaser may make requests on or adjust the terms of the JV Arrangements. The Company expects that the JV Arrangements will be based on the above principal terms. If there are any material changes to the terms of the JV Arrangements, the Company will make further announcement(s) and/or re-comply with the relevant requirements of Chapter 14 under the Listing Rules (where required) as appropriate.

INFORMATION OF THE GROUP

The principal business activity of the Company is investment holding. The Group is principally engaged in comprehensive development, equity investment and fund management. Equity investment and fund management involves direct equity investment and private equity fund investment in the primary market. Comprehensive development involves development and sale of residential properties, development and management of commercial properties, and development and operation of tourism projects.

OCT Shanghai Land is a non-wholly owned subsidiary of the Company. It is indirectly owned as to 50.5% by the Company, and as to 49.5% by Shenzhen OCT Real Estate, respectively. It is principally engaged in the development, operation, leasing, and property management of commercial properties, residential properties, office premises, and culture and entertainment projects of land pieces in Shanghai, together with the management of related parking lots.

INFORMATION OF THE TARGET COMPANY

The Target Company was incorporated in the PRC with limited liability on 28 August 2018. As of the Latest Practicable Date and prior to the completion of the Proposed Disposal, it was wholly-owned by OCT Shanghai Land. It currently has a registered capital of RMB1 million, which has been fully paid-up. Its business scope includes: corporate management, car park management, exhibition and display services, property management, and leasing of non-residential real estate.

As of the Latest Practicable Date, the Target Company was the sole owner of the Property. The Property comprises 133 apartments situated in Shanghai and the corresponding land use right. Below sets out further information about the Property:

Address	Lane 108, North Shanxi Road, Shanghai, the PRC
Gross floor area *(approximate)*	24,937.36 square meters
Usage of building	Business
Term of usage of the land use right	10 March 2011 to 9 March 2061

The Target Company derives its revenue primarily from rental payment by leasing the entire Property to OCT Shanghai Land (who in turn, operates the Property and sub-lets the apartments in the Property to occupants).

Set out below is a summary of certain unaudited financial information of the Target Company for the periods indicated below, prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the eighth months ended 31 August 2022 *(RMB'000, unaudited)*	**For the year ended 31 December 2021** *(RMB'000, unaudited)*	**For the year ended 31 December 2020** *(RMB'000, unaudited)*
Revenue	67,623	98,128	93,455
Loss before income tax	(36,953)	(52,351)	(50,719)
Loss after income tax	(36,953)	(52,351)	(50,719)

	As of 31 August 2022 *(RMB'000, unaudited)*	**As of 31 December 2021** *(RMB'000, unaudited)*	**As of 31 December 2020** *(RMB'000, unaudited)*
Total assets	2,011,910	2,071,812	2,115,649
Net assets	577,087	614,040	666,391

More financial information of the Target Company is set out in Appendix II to this circular.

As of the Latest Practicable Date, the Property was charged in favour of a commercial bank in the PRC as security for the Target Company's bank borrowing.

It is expected that after the completion of the Proposed Disposal, OCT Shanghai Land will continue to lease the apartments in the Property from the Target Company. It is also expected that OCT Shanghai Land will provide marketing management services to the Target Company after completion of the Proposed Disposal. Below summarises certain key terms of the Ongoing Arrangements:

Lease of the apartments in the Property by the Target Company to OCT Shanghai Land

Lessor	The Target Company
Leasee	OCT Shanghai Land
Subject matter	The 133 apartments situated at the Property, with a gross floor area of 24,937.36 square meters
Usage	Rental residential apartments, which OCT Shanghai Land may sub-let to third parties in whole or in part
Current lease period	18 September 2022 to 17 September 2024

	Upon the expiry, discharge, or early termination of the lease, any apartments sub-leased to third party(ies) by OCT Shanghai Land will continue until expiry of their respective terms (and any rental revenue shall belong to OCT Shanghai Land), while vacant apartments will be delivered to the Target Company within 30 days from the effective date of expiry, discharge or termination. The Target Company may elect other operator(s) for the returned apartments
Rental fee	RMB65 million (inclusive of VAT) per year, payable on a quarterly basis OCT Shanghai Land shall place with the Target Company a rental payment guarantee fee of RMB5 million (which shall be returned to OCT Shanghai Land without interests (after making deduction for defaults and breach, etc., if any) upon expiry of the lease). Parties may adjust the payment date and the rental by mutual agreement
Property management	OCT Shanghai Land shall be entitled to manage the apartments by itself, or to engage a third party to manage the apartments, at its own costs
No pre-emptive right	OCT Shanghai Land shall not be entitled to any pre-emptive right to acquire the apartments, and shall procure that in the course of sub-letting the apartments, any sub-leasee(s) will waive pre-emptive right to acquire such apartment The Target Company shall be entitled to transfer, assign, pledge all or part of the ownership or interests in the apartments without prior consent of or prior notification to OCT Shanghai Land

The rental fee is set with reference to the estimated rental income on an annual basis that might be derived from sub-letting the apartments, taking into account the number of apartments currently being sub-let, their term and estimated rental therefrom, the market rate of sub-letting similar apartments in nearby area, and the prospects of the rental market. It is expected that OCT Shanghai Land will continue the existing sub-letting business of the apartments during the lease term. Revenue from the sub-letting of the apartments shall belong to OCT Shanghai Land. The Target Company will compensate OCT Shanghai Land for loss from operation of the apartments incurred (being the revenue from sub-letting the apartments less related operating expenses) during the term of the lease (if any), such compensation will be made in cash upon the expiry, discharge or early termination of the lease (whichever is earlier). The continuation of the lease arrangement is designed to provide stability to the Target Company in its operation given OCT Shanghai Land's rich experiences and necessary qualification in the management and operations of residential apartments in light of the Target Company is at the stage of climbing period, while reducing OCT Shanghai Land's risk exposure though the aforesaid compensation arrangement.

Marketing management consultation services by OCT Shanghai Land to the Target Company expected to be entered into

Provider	OCT Shanghai Land
Recipient	The Target Company
Subject matter	OCT Shanghai Land will provide consultation services to the Target Company regarding marketing management of the Property such as providing marketing activities, branding and creativity materials, drafting sales contract, management regulations, property management standards
Term	Two years (subject to termination by mutual agreement, default or upon the transfer of the Property)
Fee	RMB1,790.34 per square meter for the whole term, which will be payable by the Target Company upon the end of the term (or in the event that the Target Company transfers the apartments, within a month after the transfer). The fee is determined with reference to OCT Shanghai Land's costs of providing the contemplated services to the Target Company

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Board considers that the Proposed Disposal could allow the Group to realise relatively satisfactory investment income, to revitalize the Group's stock assets, and to accelerate turnover of the Group's capital. It would also improve the Group's cashflow and provide the Group with liquidity for its working capital and for future business development. In addition, with the remaining 49% equity interests in the Target Company through OCT Shanghai Land, the Group will still enjoy a share of the future income and benefits to be brought by the Target Company and the Property.

In view of the above, the process of the Public Tender, the process of which the Final Consideration will be determined, and other terms of the Proposed Disposal, the Directors are of the view that the Proposed Disposal and its key terms are on normal commercial terms, are fair and reasonable, and the Proposed Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

Subject to and upon completion of the Proposed Disposal, OCT Shanghai Land will hold 49% equity interest in the Target Company. The Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's consolidated financial statements. The Group currently intends to retain the remaining 49% equity interest in the Target Company immediately following the completion of the Proposed Disposal, and there is no plan to dispose of the Group's remaining interest as of the Latest Practicable Date. It is currently expected that the Target Company will be classified as a joint venture in the Group's consolidated financial statements immediately upon completion of the Proposed Disposal.

On the assumption that the Proposed Disposal is completed at the Minimum Price, it is estimated that a gain of about RMB426 million will be derived, which is calculated based on (1) the Minimum Price (RMB584,990,000), (2) the Target Company's net assets value as of 31 August 2022 of approximately RMB577 million, (3) pre-tax gain of approximately RMB279 million from reassessment of the fair value of the Group's remaining 49% equity interests in the Target Company, (4) deducting the deferred gains of approximately RMB28 million related to the right-of-use assets retained from the two-year term of the above lease arrangement, and (5) estimated tax, transaction fee and other fees and expenses relating to the Proposed Disposal of approximately RMB116 million in aggregate.

On the assumption that the Proposed Disposal is completed at the Minimum Price and taking into account the amount of the Target Company's cash and cash equivalent as of 31 August 2022, and the taxes and transaction fee and expenses of the Proposed Disposal, it is estimated that the net proceeds from the Proposed Disposal will amount to approximately RMB551 million. Based on the Company's current expectation and barring unforeseen circumstances, future development and market conditions, the Board intends to apply the net proceeds from the Proposed Disposal for repayment of the Group's loans and borrowing (currently estimated to be around RMB420 million), and/or the remaining proceeds are intended to be applied for general working capital purposes of the Group.

The assets and liabilities of the Group are estimated to be increased by approximately RMB617 million and increased by approximately RMB191 million respectively after the Proposed Disposal. The estimated increase in assets and liabilities of the Group after the Proposed Disposal are arrived at by exclusion of the assets and liabilities of the Target Company as at 30 June 2022, and inclusion of the estimate net proceeds by deducting related tax, the right-of-use assets retained from the two-year term of the above lease arrangement and lease liabilities.

The excess of the Minimum Price over 51% of the net book value of the Target Company will amount to approximately RMB291 million.

Shareholders and potential investors should note that the above financial effect and estimations are for reference purpose only, and do not purport to represent how the financial position of the Remaining Group will be upon completion of the Proposed Disposal. The actual financial figures and effect resulted from the Proposed Disposal will be assessed based on the Final Consideration, the financial position of the Target Company at the time of completion of the Proposed Disposal, and will be subject to audit, and eventually be recognised in the consolidated financial statements of the Company upon completion of the Proposed Disposal.

See also Appendix III – *Unaudited Pro Forma Financial Information of the Remaining Group* to this circular.

LISTING RULES IMPLICATIONS

If the Group proceeds with the Proposed Disposal, the highest relevant applicable percentage ratio calculated pursuant to the Listing Rules based on the Minimum Price in respect of the Proposed Disposal is more than 75%, the Proposed Disposal is therefore expected to constitute a very substantial disposal of the Company for the purpose of the Listing Rules and be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Regarding the JV Arrangements, as the highest relevant applicable percentage ratio calculated with reference to OCT Shanghai Land's maximum commitment to provide capital support pursuant to the Listing Rules exceeds 5% but is less than 25%, the JV Arrangements are expected to constitute a discloseable transaction of the Company and be subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules. If any capital support under the JV Arrangements is to be actually provided by OCT Shanghai Land, further announcement(s) will be made by the Company if and when required under Rules 13.13, 13.14 and 13.16 of the Listing Rules (if applicable).

To the best of the Directors' knowledge, information and belief, no Director has a material interest in, and no Director is required to abstain from voting on the Board resolutions approving, the Proposed Disposal, the JV Arrangements and the transactions contemplated thereunder.

EGM

Notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. At the EGM, a resolution will be proposed to seek the Shareholders' approval on the Proposed Disposal, and the granting of the Proposed Mandate in advance by the Shareholders for the Directors to enter into and complete the Proposed Disposal.

To the best of the knowledge of the Company, at as the Latest Practicable Date, no Shareholder shall be considered as having a material interest in the Proposed Disposal and be required to abstain from voting at the EGM. The proposed resolution will be passed by way of ordinary resolution and voted on by way of poll at the EGM.

RECOMMENDATION

The Directors are of the view that the Proposed Disposal and its key terms are on normal commercial terms, are fair and reasonable, and the Proposed Disposal is in the interests of the Company and the Shareholders as a whole. The Board would recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Proposed Disposal and the grant of the Proposed Mandate.

ADDITIONAL INFORMATION

The terms of the Public Tender and the JV Arrangements have yet to be finalised and therefore may be subject to changes. In addition, the Proposed Disposal and the JV Arrangements may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the financial years ended 31 December 2019, 2020, 2021 and the six months ended 30 June 2022 were disclosed in the following documents:

The audited consolidated financial statements of the Group for the year ended 31 December 2019 have been set out in pages 113 to 242 of the 2019 annual report of the Company which was posted on 5 May 2020 on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0505/2020050500961.pdf).

The audited consolidated financial statements of the Group for the year ended 31 December 2020 have been set out in pages 97 to 217 of the 2020 annual report of the Company which was posted on 20 April 2021 on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0420/2021042001081.pdf)

The audited consolidated financial statements of the Group for the year ended 31 December 2021 have been set out in pages 61 to 173 of the 2021 annual report of the Company which was posted on 12 May 2022 on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0512/2022051200282.pdf).

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 have been set out in pages 25 to 52 of the 2022 interim report of the Company which was posted on 14 September 2022 on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0914/2022091400289.pdf).

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2022 , being the date of this indebtedness statement prior to the printing of this circular, the Group had total borrowings of approximately RMB6,426.03 million, comprising secured and guaranteed bank and related party loans of approximately RMB2,814.81 million, and unsecured and unguaranteed bank and related party loans of approximately RMB3,611.21 million. As at 31 August 2022, the Group's secured and guaranteed bank loans were secured and guaranteed by: (i) other property, plant and equipment and interests in leasehold land held for own use with a total carrying value of approximately RMB1,688.16 million; and (ii) guarantees provided by OCT Ltd. and OCT (HK), which are intermediate parents of the Company. As at 31 August 2022, the Group had outstanding obligations under lease with a carrying amount of approximately RMB22.02 million. As at 31 August 2022, save for the guarantees of approximately RMB690.85 million given to financial institutions for mortgage facilities granted to buyers of the Group's properties, the Group had no other material contingent liabilities. As at 31 August 2022, OCT Shanghai Land participated in a real estate investment trust (the "**REITs**") programme (such programme ended in September 2022). The funds raised under the REITs programme totalled RMB2,150.00 million, consisting of preferential asset-backed securities which amounted to RMB1,935.00 million from investors other than the Group, and secondary asset-backed securities which amounted to RMB215.00 million from the Group. The entire funds raised (after deducting the relevant fees and expenses) from the two kinds of securities remained in the Group in the form of loans from the investors to the Group as long-term liabilities. Foreign currency amounts have been, for the purposes of this indebtedness statement, translated into RMB at the approximate rates of exchange applicable at the close of business on 31 August 2022.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 31 August 2022, the Group did not have any other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, hire purchase commitments, liabilities under acceptance or acceptance credit, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including the internally generated funds, available banking facilities, as well as the impact of and proceeds from the Proposed Disposal, the Group will have sufficient working capital to satisfy its requirements for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

The Company will continue to carry out its existing principal businesses following the completion of the Proposed Disposal.

Set out below are the management discussion and analysis of the Remaining Group for each of the three financial years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2022. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for each of the three years ended 31 December 2019, 2020 and 2021, and the unaudited consolidated financial statements of the Company for the six months ended 30 June 2022.

For the year ended 31 December 2019

For the year ended 31 December 2019, the Remaining Group realised revenue from the continuing operations of approximately RMB2.07 billion, representing an increase of approximately 30.7% compared to the same period of 2018, of which, revenue of the comprehensive development business was approximately RMB2.05 billion, representing an increase of approximately 30.5% compared to the same period of 2018, primarily due to the increase in saleable products of project of Chengdu Tianfu OCT Industry Development Company Limited ("**Chengdu OCT Project**") compared to that of last year; and revenue of the finance lease business amounted to approximately RMB21.35 million, representing an increase of approximately 61.9% compared to the same period of 2018, primarily due to the increase in the finance lease business commenced in 2018.

The total equity of the Remaining Group as at 31 December 2019 was approximately RMB12.202 billion. As at 31 December 2019, the Remaining Group had current assets of approximately RMB9.515 billion and current liabilities of approximately RMB7.171 billion. The current ratio was approximately 1.33 as at 31 December 2019, representing an increase of 0.23 as compared with that as at 31 December 2018, mainly due to a drawdown of HK$2.25 billion from the Bank of China in 2019 in replacement of other short-term bank loans over the same period. The Remaining Group generally finances its operations with internally generated cash flow, credit facilities provided by banks and shareholder's loans.

As at 31 December 2019, the Remaining Group had outstanding bank and other loans of approximately RMB8.116 billion, without any fixed-rate loans. As at 31 December 2019, the interest rates of bank and other loans of the Remaining Group ranged from 3.37% to 4.99% per annum. Some of those bank loans were secured by certain assets of the Remaining Group and corporate guarantees provided by certain related companies of the Company. The Remaining Group's gearing ratio (being the total borrowings including bills payable and loans divided by total assets) was approximately 33.41% as at 31 December 2019, representing an increase of 0.93 percentage points as compared with approximately 32.48% as at 31 December 2018, mainly due to the increase in the amount of loans as at the end of the year ended 31 December 2019.

As at 31 December 2019, approximately 61.90% of the total amount of outstanding bank and other loans of the Remaining Group amounting to approximately RMB5.021 billion was denominated in Hong Kong Dollars and approximately 38.10% of which amounting to approximately RMB3.095 billion was denominated in Renminbi.

As at 31 December 2019, the total cash and bank balance of the Remaining Group was approximately RMB2.681 billion, of which approximately 58.50% was denominated in United States dollars, approximately 32.90% was denominated in Renminbi and approximately 8.60% was denominated in Hong Kong dollars.

For the year ended 31 December 2020

For the year ended 31 December 2020, the Remaining Group realised revenue of approximately RMB1.307 billion, representing a decrease of approximately 36.9% compared to the same period of 2019, of which, revenue of the comprehensive development business was approximately RMB1.279 billion, representing a decrease of approximately 37.6% compared to the same period of 2019, primarily due to the decrease in revenue of Chengdu OCT Project; and revenue of the finance lease business amounted to approximately RMB22.50 million, representing an increase of approximately 5.4% compared to the same period of 2019, primarily due to the increase in business during the year 2020.

The total equity of the Remaining Group as at 31 December 2020 was approximately RMB12.559 billion. As at 31 December 2020, the Remaining Group had current assets of approximately RMB13.594 billion and current liabilities of approximately RMB4.585 billion. The current ratio was approximately 2.97 as at 31 December 2020, representing an increase of 1.64 as compared with that as at 31 December 2019, mainly due to mainly due to the Remaining Group having sold the Chengdu OCT Project and Xi'an OCT Land Project to revitalize existing funds in 2020. The Remaining Group generally finances its operations with internally generated cash flow, credit facilities provided by banks and shareholder's loans.

As at 31 December 2020, the Remaining Group had outstanding bank and other loans of approximately RMB6.606 billion, approximately RMB2.078 billion was fixed-rate loans. As at 31 December 2020, the interest rates of bank and other loans of the Remaining Group ranged from 1.33% to 4.75% per annum. Some of those bank loans were secured by certain assets of the Remaining Group and corporate guarantees provided by certain related companies of the Company. The Remaining Group's gearing ratio (being the total borrowings including bills payable and loans divided by total assets) was approximately 28.34% as at 31 December 2020, representing a decrease of 5.1 percentage points as compared with approximately 33.41% as at 31 December 2019, which was mainly due to the decrease in bank and other loans.

As at 31 December 2020, approximately 53.8% of the total amount of outstanding bank and other loans of the Remaining Group amounting to approximately RMB3.556 billion was denominated in Hong Kong dollars and approximately 46.2% of which amounting to approximately RMB3.050 billion was denominated in Renminbi.

As at 31 December 2020, approximately 0.4% of the total amount of cash and cash equivalents of the Remaining Group was denominated in United States dollars, approximately 52.6% of which was denominated in Renminbi and approximately 47.0% of which was denominated in Hong Kong dollars.

For the year ended 31 December 2021

For the year ended 31 December 2021, the Remaining Group realised revenue of approximately RMB1.474 billion, representing an increase of approximately 12.8% compared to the same period of 2020, of which, revenue of the comprehensive development business was approximately RMB1.452 billion, representing an increase of approximately 13.5% compared to the same period of 2020, primarily due to the increase in revenue carried forward from the Hefei Airport International Town Project; and revenue of the finance lease business amounted to approximately RMB15.8 million, representing a decrease of approximately 29.8% compared to the same period of 2020, primarily due to the decrease in business during the year 2021.

The total equity of the Remaining Group as at 31 December 2021 was approximately RMB11.785 billion; current assets were approximately RMB16.395 billion; current liabilities were approximately RMB10.856 billion. The current ratio was approximately 1.51 as at 31 December 2021, representing a decrease of 1.46 as compared to that as at 31 December 2020, mainly due to reclassification of certain loans from banks and related parties from long-term liabilities to short-term liabilities. The Remaining Group generally finances its operations with internally generated cash flow, credit facilities provided by banks and shareholder's loans.

As at 31 December 2021, the Remaining Group had outstanding bank and other loans of approximately RMB5.747 billion, with fixed rate loans of approximately RMB1.935 billion. As at 31 December 2021, the interest rates of bank and other loans of the Remaining Group ranged from 1.31% to 4.75% per annum. Some of those bank loans were secured by certain assets of the Remaining Group and corporate guarantees provided by certain related companies of the Company. The Remaining Group's gearing ratio (being the total borrowings including loans divided by total assets) was approximately 23.68% as at 31 December 2021, representing a decrease of approximately 4.7 percentage points as compared with approximately 28.34% as at 31 December 2020, which was mainly due to the decrease in bank and other loans.

As at 31 December 2021, approximately 37.9% of the total amount of outstanding bank and other loans of the Remaining Group amounting to approximately RMB2.176 billion was denominated in Hong Kong Dollars; and approximately 62.1% amounting to approximately RMB3.571 billion was denominated in Renminbi.

As at 31 December 2021, approximately 0.1% of the total amount of cash and cash equivalents of the Remaining Group was denominated in United States dollars; approximately 90.7% was denominated in Renminbi; and approximately 9.2% was denominated in Hong Kong dollars.

For the six months ended 30 June 2022

For the six months ended 30 June 2022, the Remaining Group realised revenue of approximately RMB877 million, representing an increase of approximately 338.2% compared to the same period of 2021, of which, revenue of the comprehensive development business was approximately RMB875 million, representing an increase of approximately 358.1% compared to the same period of 2021, primarily due to the increase in revenue carried forward from the Hefei Airport International Town Project; and revenue of the finance lease business amounted to approximately RMB1.67 million, representing a decrease of approximately 81.6% compared to the same period of 2021, primarily due to the decrease in business during the six months ended 30 June 2022.

The total equity of the Remaining Group as at 30 June 2022 was approximately RMB11.393 billion; current assets were approximately RMB15.768 billion; and current liabilities were approximately RMB11.104 billion. The current ratio was approximately 1.42 as at 30 June 2022, representing a decrease of 0.09 as compared to that as at 31 December 2021, mainly due to the re-classification of certain loans from banks and related parties from long-term liabilities to short-term liabilities while cash balance decreased. The Remaining Group generally finances its operations with internally generated cash flow, credit facilities provided by banks and shareholder's loans.

As at 30 June 2022, the Remaining Group had outstanding bank and other loans of approximately RMB5.763 billion, with fixed rate loans of approximately RMB1.935 billion. As at 30 June 2022, the interest rates of bank and other loans of the Remaining Group ranged from 2.02% to 4.75% per annum. Some of those bank loans were secured by certain assets of the Remaining Group and corporate guarantees provided by certain related companies of the Company. The Remaining Group's gearing ratio (being the total borrowings including bills payable and loans divided by total assets) was approximately 24.51% as at 30 June 2022, representing an increase of approximately 1.0 percentage points as compared with that as at 31 December 2021, which was mainly due to the increase in bank and other loans.

As at 30 June 2022, approximately 37.2% of the total amount of outstanding bank and other loans of the Remaining Group amounting to approximately RMB2.143 billion was denominated in Hong Kong dollars; and approximately 62.8% (amounting to approximately RMB3.62 billion) was denominated in Renminbi.

As at 30 June 2022, approximately 0.1% of the total amount of cash and cash equivalents of the Remaining Group was denominated in United States dollars; approximately 97.4% was denominated in Renminbi; and approximately 2.5% was denominated in Hong Kong dollars.

Funding and Treasury Policies

The Remaining Group adopted prudent funding and treasury policies.

The Remaining Group's liquidity position remains stable during the years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2022. The Remaining Group's transactions and monetary assets were principally denominated in Renminbi, Hong Kong dollars and the United States dollars during these periods.

During the years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2022, the Remaining Group has not experienced any material difficulties in or effects on its operations or liquidity as a result of fluctuations in currency exchange rates, and the Remaining Group did not enter into any foreign exchange forward contracts and other material financial instruments for hedging foreign exchange risk purpose.

The Remaining Group will continue to monitor the situation and may consider entering into hedging arrangements in order to minimise foreign exchange risks, if and when necessary.

Interest Expenses

For the years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2022, the interest expenses of the Remaining Group were approximately RMB228 million, RMB183 million, RMB149 million and RMB57 million, respectively. A large portion of the interest expenses was incurred as a result of bank borrowings obtained by the Remaining Group for the development of integrated businesses.

As at 31 December 2019, 2020 and 2021 and 30 June 2022, the Remaining Group's property, plant and equipment with an aggregate carrying amount of RMB0.88 billion, RMB0.85 billion, RMB0.82 billion and RMB0.81 billion, interests in leasehold land held for own use with an aggregate carrying amount of RMB0.97 billion, RMB0.94 billion, RMB0.91 billion and RMB0.89 billion, bank deposit with an aggregate carrying amount of RMB0.75 billion, RMB0 billion, RMB0 billion and RMB0 billion, were pledged to secure bank borrowings granted to the Remaining Group, with a maturing profile ranging from April 2018 to August 2034.

Employees and Remuneration Policy

As at 31 December 2019, 2020 and 2021 and 30 June 2022, the Remaining Group employed approximately 1,352, 314, 311 and 323 full-time employees, respectively. The basic remunerations of the employees of the Remaining Group are determined with reference to the industry's remuneration benchmark, the employees' experience and their performance, and equal opportunities are offered to all staff members. Salaries of the 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, the Remaining Group also provides bonuses to the staff based upon the Remaining Group's results and their individual performance.

The Remaining 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 Remaining Group maintains a good relationship with its employees. Most members of senior management have been working for the Remaining Group for many years.

Under the ordinary resolution passed at the extraordinary general meeting on 15 February 2011, the Board adopted a share option scheme (the "**Scheme**"). The Scheme has expired as of the Latest Practicable Date. All share options granted under the Scheme have expired, lapsed and cancelled, and no share option was granted, exercised, lapsed or cancelled during the years ended 31 December 2019, 2020 and 2021 and the six month ended 30 June 2022.

Contingent Liabilities

The Remaining Group enters into agreements with certain banks with respect to mortgage loans provided to buyers of the property units. Pursuant to the mortgage agreements signed between the Remaining Group and the banks, the guarantee will be released upon the issuance of the individual property ownership certificate. Should the mortgagors fail to pay the mortgage monthly instalment before the issuance of the individual property ownership certificate, the banks can draw down the security deposits up to the amount of outstanding mortgage instalments and demand the Remaining Group to repay the outstanding balance if the deposit balance is insufficient.

The amount of guarantee deposits required varies among different banks, but usually within a range of 0% to 5% of the mortgage loans granted to buyers, with a prescribed capped amount.

The management does not consider it probable that the Remaining Group will sustain a loss under these guarantees over the term of the guarantee as the bank has the rights to sell the properties and recover the outstanding loan balance from the sale proceeds if the property buyers default on payment. The management also considers that the market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Remaining Group. Therefore, no liabilities are recognised in respect of these guarantees.

As at 31 December 2019, 2020 and 2021 and as at 30 June 2022, guarantees given by financial institutions for mortgages facilities granted to buyers of the Remaining Group's properties amounted to approximately RMB32.89 million, RMB99.86 million, RMB498 million and RMB548.85 million, respectively.

Significant Investments

The significant investments held by the Remaining Group which were classified as fair value through other comprehensive income ("**FVOCI**") during the period indicated were as follows:

For the year ended 31 December 2019

Name of investment	Number of shares held by the Group as at 31 December 2019	Approximate percentage of shareholding as at 31 December 2019	Net gain/(loss) for the year ended 31 December 2019	Dividend received for the year ended 31 December 2019	Investment cost	Fair value as at 31 December 2019	Size of the investment to the value of the total assets of the Group as at 31 December 2019
		%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	%
Equity securities designated at FVOCI							
Listed shares							
Tongcheng-Elong	106,079,480	4.99%	166,598 *(note 1)*	0	1,176,471	1,328,434	5.02%

Notes:

1. Tongcheng-Elong Holdings Limited ("**Tongcheng-Elong**") and its subsidiaries engage in provision of travel products and services in the China's online travel industry. Their products and services include accommodation reservation, transportation ticketing, attractions ticketing and various ancillary value-added products and services.

2. The net movement is recognised in other comprehensive income.

For the years ended 31 December 2020, 2021 and the six months ended 30 June 2022, the Remaining Group did not hold any significant investment which was classified as equity securities designated at FVOCI.

Going forward, the Remaining Group will actively explore equity investment opportunities through the prudent selection of high-quality projects that is in line with its corporate development strategy specialising in culture, tourism, new urbanisation and industrial ecosphere investment. The Remaining Group will continue to adopt prudent capital management and liquidity risk management policies and practices to preserve adequate buffer to meet the challenges ahead.

There were currently no specific plan of material investments or additions of capital assets authorised by the Board as of the Latest Practicable Date.

Material Acquisitions and Disposals

For the year ended 31 December 2019

Acquisition of 21% of equity interest and debt interest in Zhongshan Yuhong

On 26 March 2019, Shenzhen Huajing Investment Limited ("**Huajing**", a wholly-owned subsidiary of the Company), entered into the cooperation agreement with Zhuhai Yiyun Real Estate Limited ("**Zhuhai Yiyun**"), Xiamen Yuzhou Grand Future Real Estate Development Company Limited ("**Xiamen Yuzhou**") and Zhongshan Yuhong Real Estate Development Limited ("**Zhongshan Yuhong**"), pursuant to which Huajing agreed to acquire and Xiamen Yuzhou agreed to sell: (i) 21% equity interests in Zhongshan Yuhong at a consideration of RMB1,263,447; and (ii) the debt in the principal amount of RMB331,551,594.94 owing by Zhongshan Yuhong to Xiamen Yuzhou together with the interest at an annual rate of 8% accrued thereon ("**Target Debt**") for a consideration equivalent to the amount of the Target Debt. Pursuant to such agreement, the total capital commitment to Zhongshan Yuhong to be provided by the shareholders of Zhongshan Yuhong shall not exceed RMB4,500,000,000, of which RMB945,000,000 shall be attributable to Huajing, which is in proportion to its equity interest to be held in Zhongshan Yuhong after the completion of such acquisition. For further details, please refer to the circular of the Company dated 24 April 2019.

Finance lease and factoring framework agreements

On 7 May 2019, OCT Financial Leasing entered into the finance lease and factoring framework agreements with (1) OCT Group and (2) OCT Ltd., respectively, pursuant to which OCT Financial Leasing agreed to provide finance lease and factoring services to OCT Group and OCT Ltd., at an annual cap of RMB1,000,000,000 and RMB2,500,000,000 respectively. Each of these finance lease and factoring framework agreements shall be effective for one year from the date of approval of these agreements by the independent Shareholders at the extraordinary general meeting held on 19 June 2019. For further details, please refer to the circular of the Company dated 23 May 2019.

Acquisition of land use rights in Chaohu, Hefei

On 15 May 2019, Shenzhen OCT Gangya Holdings Development Co., Ltd. ("**Gangya**", an indirect wholly-owned subsidiary of the Company), and Hefei Guojia Industry Capital Management Co., Ltd. ("**Hefei Guojia**") have jointly bided and won the bid for the land use rights of the land situated at Chaohu, Hefei, Anhui Province of the PRC ("**Chaohu Land**") at the price of RMB1,131,548,600. On 3 June 2019, Gangya entered into a cooperation agreement with Hefei Guojia, pursuant to which Gangya and Hefei Guojia agreed to establish a company, in which Gangya and Hefei Guojia shall own 51% and 49% of the equity interest respectively, for the development of the Chaohu Land. The total capital commitment to such project company made in accordance with such cooperation agreement shall not exceed RMB2,352,941,176, of which RMB1,200,000,000 and RMB1,152,941,176 is attributable to Gangya and Hefei Guojia, respectively, in proportion to their respective shareholdings in such project company. For further details, please refer to the circular of the Company dated 24 June 2019.

Establishment of Xiamen Partnership

On 7 November 2019, Shenzhen OCT Huaxin Equity Investment Management Limited ("**Huaxin**") and Huajing, both of which are indirect wholly-owned subsidiaries of the Company, entered into a limited partnership agreement with Shenzhen Qianhai Yuzhou Fund Management Co., Ltd. ("**Yuzhou Fund Management**") and Xiamen Zhongmao Yitong Commerce Co., Ltd. in relation to the establishment of Xiamen OCT Runyu Investment Partnership (Limited Partnership) with the total capital contribution of RMB1.5 billion. The capital contribution to be subscribed by Yuzhou Fund Management, Huaxin, Huajing and Xiamen Zhongmao Yitong Commerce Co., Ltd. will be RMB1,000,000, RMB1,000,000, RMB1,168,000,000 and RMB330,000,000, respectively. For further details, please refer to the circular of the Company dated 24 December 2019.

Acquisition of land use right in Heifei Airport International Town (2019 Acquisition)

Hefei OCT Industry successfully won the bid of the land use rights of the 5 parcels of land with a total site area of approximately 1,042 sq.m. located at the first phase of Hefei Airport International Town, at the total consideration of approximately RMB2,644 million. On 27 December 2019, Hefei OCT Industry entered into the State-owned Land Use Rights Grant Contracts with Hefei Natural Resources and Planning Bureau in relation to the acquisition of such land use rights. For further details, please refer to the circular of the Company dated 23 January 2020.

Disposal of Listed Securities in Tianli Education

From 7 November 2019 to 20 December 2019, City Legend disposed of an aggregate of 57,334,000 shares of Tianli Education in a series of transactions on the market and through block trade. For further details, please refer to the announcement of the Company dated 20 December 2019.

For the year ended 31 December 2020

Second disposals of listed securities in Tianli Education

On 3 January 2020, City Legend disposed on-market and through block trade an aggregate of 42,666,000 shares of Tianli Education in a series of transactions, at the average selling price of HK$3.10 per share of Tianli Education. The aggregate gross sale proceeds from the disposals are approximately HK$132.3 million (excluding transaction costs). After the disposal, the Remaining Group ceased to hold any shares of Tianli Education. For further details, please refer to the announcement of the Company dated 3 January 2020.

Investment in Dongguan Partnership

On 6 March 2020, Huaxin and Shenzhen Huayou, both of which are indirect wholly-owned subsidiaries of the Company, entered into a limited partnership agreement with Dongguan City Industrial Investment Parent Fund Co., Ltd. ("**Dongguan Industrial Investment**"), Guangdong Province Yueke Songshan Lake Innovation Venture Capital Parent Fund Co., Ltd. ("**Songshan Lake Venture Capital**") and Dongguan City Multiplier Program Industrial M&A Parent Fund Partnership (Limited Partnership) ("**Dongguan Industrial M&A**") in relation to the establishment of Dongguan City OCT Lüwen Technology Investment Partnership (Limited Partnership) for the purpose of the investment. The total capital contribution to be subscribed by all partners to such partnership is RMB300 million. The capital contribution subscribed by Huaxin, Shenzhen Huayou, Dongguan Industrial Investment, Songshan Lake Venture Capital and Dongguan Industrial M&A will be RMB3,000,000, RMB132,000,000, RMB75,000,000, RMB60,000,000 and RMB30,000,000, respectively. For further details, please refer to the announcement of the Company dated 6 March 2020.

Renewal of finance lease and factoring framework agreements

On 18 May 2020, OCT Financial Leasing entered into finance lease and factoring framework agreements with: (i) OCT Group; and (ii) OCT Ltd., each being a connected person of the Company, respectively, pursuant to which OCT Financial Leasing agreed to provide finance lease and factoring services to OCT Group and OCT Ltd. Each of the finance lease and factoring framework agreements was effective for one year from the date of approval of the financial lease and factoring agreements by the independent shareholders at the extraordinary general meeting held on 19 June 2020. The annual caps for the above effective period for each of financial lease and factoring agreements were RMB1,000,000,000. For further details, please refer to the circular of the Company dated 29 May 2020.

Transfer of 1% equity interest in Dongguan Partnership

On 12 June 2020, Shenzhen Huayou entered into an equity transfer agreement with Happy Valley Cultural Tourism Development Co., Ltd. ("**Happy Valley Cultural Tourism**"), a company held as to 60% by OCT Ltd. and a connected person of the Company, and the Dongguan Partnership, pursuant to which Shenzhen Huayou has agreed to transfer 1% of the equity interest in the Dongguan Partnership, representing a capital contribution of RMB3,000,000 by Shenzhen Huayou to Happy Valley Cultural Tourism at the consideration of RMB3,000,185.40. Upon completion of the transfer, Shenzhen Huayou owned 43% of the equity interest in the Dongguan Partnership with a total subscribed capital contribution of RMB129,000,000, and Happy Valley Cultural Tourism owned 1% of the equity interest in the Dongguan Partnership with a total subscribed capital contribution of RMB3,000,000. For further details, please refer to the announcement of the Company dated 12 June 2020.

Entering into Finance Lease Agreement for Chengdu Happy Valley

On 13 August 2020, Chengdu Tianfu OCT Industry Development Co., Ltd. ("**Chengdu OCT**"), then an indirect non-wholly owned subsidiary of the Company, entered into a finance lease agreement with CMB Financial Leasing Co., Ltd., pursuant to which: (i) CMB Financial Leasing Co., Ltd. conditionally agreed to purchase certain amusement and ancillary facilities (such as roller coaster and waterpark facilities) used in Chengdu Happy Valley currently owned by Chengdu OCT, and (ii) following the acquisition, CMB Financial Leasing Co., Ltd. conditionally agreed to lease the leased assets to Chengdu OCT, for a lease term of 36 months. For further details, please refer to the circular of the Company dated 30 September 2020.

Assignment of 50.99% of Equity Interest and Debt in Chengdu OCT

Bantix International Limited ("**Bantix International**") entered into the equity transfer agreement with OCT (Chengdu) Investment Co., Ltd., ("**OCT Chengdu Investment**") and Chengdu OCT on 4 September 2020 in relation to the transfer of 50.99% of the equity interest in Chengdu OCT to OCT Chengdu Investment at the consideration of RMB1,092 million; Bantix International, OCT Chengdu Investment and Chengdu OCT entered into the debt transfer agreement on 4 September 2020 in relation to the assignment of the debt of RMB160 million from Bantix International to OCT Chengdu Investment. For further details, please refer to the circular of the Company dated 30 September 2020.

Subscription of 49% Interest in the Cayman Fund and Disposal of Equity Interest of City Turbo

The Company and HNW Investment Fund Series SPC entered into the cooperation agreement on 8 December 2020 in relation to (among others) (i) the subscription of not more than 49% interest of Serica segregated portfolio at the subscription amount of not more than HK$417 million; (ii) the disposal of the entire issued shares of City Turbo Limited ("**City Turbo**") (including the entire assets, rights and liabilities of City Turbo) at the consideration of approximately HK$2,037 million; and (iii) the granting of share repurchase options to other investors in respect of their respective participating shares. For further details, please refer to the circular of the Company dated 15 December 2020.

Disposal of Listed Securities of Tongcheng-Elong

City Legend disposed on-market the listed securities of Tongcheng-Elong in a series of transactions. After six disposals, the Remaining Group held 70,549,880 of Tongcheng-Elong shares, accounting for approximately 3.25% of the issued share capital of Tongcheng-Elong as at 30 November 2020. For further details, please refer to the announcements dated 28 August 2020, 11 November 2020, 17 November 2020, 20 November 2020, 2 December 2020 and 18 December 2020 and the circular dated 31 December 2020.

For the year ended 31 December 2021

Further Disposal of Listed Securities of Tongcheng-Elong

City Legend disposed of the listed securities of Tongcheng-Elong in a series of transactions on the market. For further details, please refer to the announcements of the Company dated 17 February 2021, 19 February 2021, 25 February 2021 and 31 March 2021 and two circulars of the Company dated 23 April 2021.

Establishment of Xiamen Qiaorun Investment Partnership (Limited Partnership)

On 23 February 2021, Gangya and Shenzhen Huayou Investment Co., Ltd. ("**Huayou**"), both of which are indirect wholly-owned subsidiaries of the Company, Shanghai Xuxiang Trading Co., Ltd., Panxing Capital Management (Shenzhen) Co., Ltd. and Xiamen Zhongmao Yitong Commerce Co., Ltd. entered into a limited partnership agreement in relation to the establishment of Xiamen Qiaorun Investment Partnership (Limited Partnership). The total capital contribution subscribed by Gangya and Huayou to the partnership was RMB600,010,000. For further details, please refer to the circular of the Company dated 23 April 2021.

Supplemental Agreement for Subscription of 49% Interest in Cayman Fund

On 9 April 2021, the Company, City Legend, HNW Investment Fund Series SPC, Century Ginwa Retail Holdings Limited, Kinetic Creation Global Investments Limited, CCB International Asset Management Limited and Xi'an OCT Land Co., Ltd. and City Turbo entered into a supplemental agreement to the Private Placement Memorandum to revise the Private Placement Memorandum (relating to the subscription of a Cayman Fund in December 2020) under which, subject to all parties to the supplemental agreement obtaining all requisite approvals, the open period for the transfer or redemption of the fund shares of such Cayman Fund is to be amended. For further details, please refer to the circular of the Company dated 26 May 2021.

Established Shenzhen Qiaoheng No. 1 Investment Enterprise (Limited Partnership)

On 26 April 2021, Gangya and Huayou entered into a limited partnership agreement with Shenzhen Haomei Enterprise Co., Ltd. and Shenzhen Jingcheng Enterprise Co., Ltd. in relation to the establishment of Shenzhen Qiaoheng No. 1 Investment Enterprise (Limited Partnership). The total capital contribution subscribed by Gangya and Huayou to the partnership was RMB719,250,000. Such joint venture has invested in certain equity interests in Huizhou Kaiyue Zhiye Co., Ltd. ("**Kaiyue**") and provided shareholder's loans to develop an urban renewal project. The Remaining Group has launched an arbitration procedure on behalf of the partnership relating to the project's delay caused by the failure of another shareholder of Kaiyue to provide funds. For further details, please refer to the circular of the Company dated 26 May 2021 and the Company's 2021 annual report.

Acquisition of Land Use Rights in the Second Phase of Hefei Airport International Town

Hefei OCT Industry Development Co., Ltd ("**Hefei OCT Industry**", an indirect non-wholly owned subsidiary of the Company) entered into four state-owned Construction Land Use Right Transfer Contracts dated 30 June 2021 (and relevant supplemental agreements dated 30 June 2021) with Hefei Municipal Bureau of Natural Resources and Planning in relation to the acquisition of land use rights of four parcels of land, located in the second phase of Hefei Airport International Town and with a total site area of approximately 913.05 mu, at a total consideration of approximately RMB2,805 million. For further details, please refer to the circular of the Company dated 26 July 2021.

Investment in Semk Holdings

On 7 July 2021, City Legend, Semk Holdings International Limited ("**Semk Holdings**"), Semk Global Investment Ltd, and Mr. Hui Ha Lam entered into an investment agreement in relation to the subscription and acquisition by City Legend of a total of approximately 9.5% of the enlarged issued share capital of Semk Holdings immediately after the investment at an aggregate consideration of HK$142,500,585. City Legend also entered into a shareholders' agreement with Semk Holdings and its shareholders with respect of its shareholder's right in the same month. Semk Holdings completed its initial public offering and commenced listing on the Stock Exchange in January 2022. Therefore, the relevant special shareholders' rights under the aforesaid shareholders' agreement have lapsed automatically. For further details, please refer to the announcement of the Company dated 7 July 2021 and the Company's 2021 annual report.

Establishment of Nantong Zijing Huaxin Industry Master Fund

On 19 July 2021, Huaxin, Gangya, Nantong Zijing Huatong Corporate Management Limited, Nantong Industry Investment Master Fund Limited, and other independent third parties entered into a partnership agreement in relation to the establishment of Nantong Zijing Huaxin Industry Master Fund. The total capital contribution to be subscribed by Huaxin and Gangya to the fund is RMB400,000,000. For further details, please refer to the circular of the Company dated 24 September 2021.

Establishment of Foshan Gaoxin Technology Industry Fund

Huaxin, Huajing, Guangdong Fogao Private Equity Management Limited, Guangdong Fogao Holding Limited, Foshan Nanhai Industry Development Investment Management Limited and other independent third parties entered into a limited partnership agreement in relation to the establishment of Foshan Gaoxin Technology Industry Fund. The total capital contribution to be subscribed by Huaxin and Huajing to the fund was RMB70,000,000. For further details, please refer to the announcement of the Company dated 15 December 2021.

The Remaining Group had no other significant material acquisitions and disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2022.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

In the second half of the year 2022, with the gradual decrease of the scattered pandemic outbreaks and the continuous efforts of the policies aiming to stabilize growth, the positive factors driving economic growth will gradually accrue. Economic activities will gradually pick up in the second half of the year, and the economy is expected to return to a reasonable growth level throughout the year. In addition, as China is the world's second-largest economy and the world's second-largest consumer market, the economic growth of which has strong resilience and great potential, there will be a lot of more investment opportunities in industrial chains characterized by "speciality, refinement, uniqueness and novelty" and new consumption fields, driven by the wave of industrial digitalisation and intelligentisation.

Equity Investment and Fund Business

In the future, the Remaining Group will rapidly invest in leading institutions in the industry through its first actively managed fund of funds, Nantong Zijing Huaxin Industry Fund, and will create an industrial innovation ecosystem of FOFs with "mutual interaction and cross-industry integration" of multiple parties such as investors, FOFs, sub-funds and innovation and entrepreneurship projects. In this way, the Remaining Group can reserve equity targets with long-term value-added space for the Company, speeding up the pace of investments in high-quality projects and continuously expanding the investment territory of the Remaining Group. Moreover, with the gradual acceleration of investments by Dongguan Tourism Technology Fund and Foshan Gaoxin Technology Industry Fund, the investment ecosystem is expected to take initial shape. The Remaining Group will continue to mobilize industrial and financial resources to boost the development and growth of the invested companies, and will exit at the right time to accelerate the formation of a virtuous cycle ecosystem of "fundraising, investment, management and exit". The Remaining Group will also continue to explore fund cooperation with high-quality capital contributors such as government-guided funds, market-oriented master funds and listed companies, to continuously expand the management scale of fund business.

Comprehensive Development Business

In the future, the Remaining Group will closely follow the market policies of key regions and take advantage of the market window period to adjust the marketing strategy in a timely manner and further increase the efforts to launch projects, aiming to expedite sales and facilitate cash collection. The Remaining Group will also continue to strengthen the revitalization of existing assets, actively leverage the value of assets, strictly control costs and improve quality and efficiency, thereby striving to achieve high-quality development.

In the second half of 2022, the Remaining Group's comprehensive development projects are planned as follows: Phase II of Hefei Airport International Town Project is expected to have a total sales area of approximately 110,000 square metres; Zhongshan Yuhong Project is expected to have a total sales area of approximately 35,800 square metres; and Shanghai Suhewan Project and Chongqing OCT Land Project will continue to increase the efforts on product sales.

The Remaining Group will continue to adhere to the professional, prudent and aggressive business strategy, put more emphasis on empowerment management and risk management of investment projects, and actively take various measures to promote the resolution of potential risks to achieve stable operation and sustainable development. In addition, the Remaining Group will continue to focus on the strategic positioning of building itself into a cross-border investment and asset management company of "cultural tourism + technology". Under the guidance of the development idea of "adjusting structure, strengthening capabilities, expanding resources, and shifting the track", it will speed up the revitalization of existing project assets and the pace of investments in high-quality projects and strengthen the management improvement to improve quality and efficiency. It will also build broad capital-side and industry-side cooperation alliances to reinforce the competitive edges in the "cultural tourism + technology" segment.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below are the unaudited statements of financial position of Shanghai Shouchi Enterprise Management Co., Ltd as at 31 December 2019, 2020 and 2021 and 31 August 2022 and the related unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and the cash flow statements for the year ended 31 December 2019, 2020 and 2021 and the eight months ended 31 August 2021 and 2022 (the "**Relevant Periods**"), and explanatory notes (collectively referred to as the "**Financial Information**"). The Financial Information has been prepared by the Directors of the Company on the basis set out in note 2 to the Financial Information and in accordance with paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Financial Information is prepared by the Directors solely for the purpose of inclusion in this Circular in connection with the Proposed Disposal. The Company's auditors, KPMG, were engaged to review the Financial Information of the Target Company set out in pages II-2 to II-8 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750, "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal", issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditors would become aware of all significant matters that might be identified in an audit. Accordingly, the auditors do not express an audit opinion. The auditors have issued an unmodified review report.

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended 31 December 2019, 2020, 2021 and eight months ended 31 August 2021 and 2022

(Expressed in Renminbi)

	Year ended 31 December			Eight months ended 31 August	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	26,503	93,455	98,128	64,403	67,623
Cost of sales	(7,442)	(63,536)	(64,425)	(42,965)	(42,854)
Gross profit	19,061	29,919	33,703	21,438	24,769
Other income	1	196	404	170	162
Administrative expenses	(1,874)	(936)	(332)	(298)	(32)
Profit from operations	17,188	29,179	33,775	21,310	24,899
Finance costs	(26,375)	(79,898)	(86,126)	(55,612)	(61,852)
Loss before taxation	(9,187)	(50,719)	(52,351)	(34,302)	(36,953)
Income tax	–	–	–	–	–
Loss and total comprehensive income for the year/period	(9,187)	(50,719)	(52,351)	(34,302)	(36,953)

UNAUDITED STATEMENTS OF FINANCIAL POSITION

At 31 December 2019, 2020, 2021 and 31 August 2022

(Expressed in Renminbi)

	At 31 December			At 31 August
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current asset				
Investment property	2,115,821	2,064,495	2,013,202	1,979,007
Current assets				
Trade and other receivables	–	25	–	–
Amount due from the Group	26,503	27,828	31,850	1,273
Cash at bank and on hand	22,470	23,301	26,760	31,630
	48,973	51,154	58,610	32,903
Current liabilities				
Trade and other payables	–	102	6,022	3,624
Amount due to the Group	47,684	49,156	51,750	31,199
	47,684	49,258	57,772	34,823
Net current assets/(liabilities)	1,289	1,896	838	(1,920)
Total assets less current liabilities	2,117,110	2,066,391	2,014,040	1,977,087
Non-current liabilities				
Loan from the Group	1,400,000	1,400,000	1,400,000	1,400,000
NET ASSETS	717,110	666,391	614,040	577,087
CAPITAL AND RESERVES				
Share capital	1,000	1,000	1,000	1,000
Reserves	716,110	665,391	613,040	576,087
TOTAL EQUITY	717,110	666,391	614,040	577,087

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2019, 2020, 2021 and eight months ended 31 August 2021 and 2022

(Expressed in Renminbi)

	Share capital	Capital reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2019	–	–	–	–
Changes in equity for 2019:				
Loss for the year	–	–	(9,187)	(9,187)
Total comprehensive income	–	–	(9,187)	(9,187)
Contributions from the immediate parent	1,000	725,297	–	726,297
Balance at 31 December 2019 and 1 January 2020	1,000	725,297	(9,187)	717,110
Changes in equity for 2020:				
Loss for the year	–	–	(50,719)	(50,719)
Total comprehensive income	–	–	(50,719)	(50,719)
Balance at 31 December 2020 and 1 January 2021	1,000	725,297	(59,906)	666,391
Changes in equity for 2021:				
Loss for the year	–	–	(52,351)	(52,351)
Total comprehensive income	–	–	(52,351)	(52,351)
Balance at 31 December 2021	1,000	725,297	(112,257)	614,040

UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

For the years ended 31 December 2019, 2020, 2021 and eight months ended 31 August 2021 and 2022 (continued)

(Expressed in Renminbi)

	Share capital	Capital reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 31 December 2020 and 1 January 2021	1,000	725,297	(59,906)	666,391
Changes in equity for 2021:				
Loss for the year	–	–	(34,302)	(34,302)
Total comprehensive income	–	–	(34,302)	(34,302)
Balance at 31 August 2021	1,000	725,297	(94,208)	632,089
Balance at 31 December 2021 and 1 January 2022	1,000	725,297	(112,257)	614,040
Changes in equity for 2022:				
Loss for the year	–	–	(36,953)	(36,953)
Total comprehensive income	–	–	(36,953)	(36,953)
Balance at 31 August 2022	1,000	725,297	(149,210)	577,087

UNAUDITED CASH FLOW STATEMENTS

For the years ended 31 December 2019, 2020, 2021 and eight months ended 31 August 2021 and 2022

(Expressed in Renminbi)

	Year ended 31 December			Eight months ended 31 August	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Operating activities					
Cash generated from operations	20,990	79,256	86,992	89,723	92,430
Interest paid to the Group	(4,733)	(78,425)	(83,533)	(83,533)	(87,560)
Net cash generated from operating activities	16,257	831	3,459	6,190	4,870
Financing activities					
Proceeds from new loan from the immediate parent	1,400,000	–	–	–	–
Repayment of loans from the Group	(707,000)	–	–	–	–
Repayment of loans from a related party	(693,000)	–	–	–	–
Capital injection received from the immediate parent	6,213	–	–	–	–
Net cash generated from investing activities	6,213	–	–	–	–
Net increase in cash and cash equivalents	22,470	831	3,459	6,190	4,870
Cash and cash equivalents at beginning of the year/period	–	22,470	23,301	23,301	26,760
Cash and cash equivalents at the end of the year/period	22,470	23,301	26,760	29,491	31,630

NOTES TO THE UNAUDITED FINANCIAL INFORMATION OF THE TARGET COMPANY

1 General information

Shanghai Shouchi Enterprise Management Co., Ltd (the "**Target Company**"), an indirect non-wholly-owned subsidiary of Overseas Chinese Town (Asia) Holdings Limited (the "**Company**"), was incorporated with limited liability in the People's Republic of China ("**PRC**") on 28 August 2018. The Company was incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Company and its subsidiaries hereinafter are collectively referred to as "**the Group**". The Target Company is principally engaged in property leasing.

The Target Company was initially established by Overseas Chinese Town (Shanghai) Land Company Limited ("**OCT Shanghai Land**"), a subsidiary of the Company. On 23 July 2019, OCT Shanghai Land transferred its 100% equity interests in the Target Company to a private fund managed by Zhonglian Qianyuan Real Estate Fund Management Co., Ltd (the "**Fund**"). The Fund used the Target Company to raise RMB2,150,000,000 under a real estate investment trust (the "**REIT**") programme, where the income of the REIT was derived from the rental income of the Target Company's investment properties. On 23 August 2022, OCT Shanghai Land entered into an agreement with the Fund, pursuant to which OCT Shanghai Land re-acquired the Target Company, upon which OCT Shanghai Land once again became the direct holding company of the Target Company.

2 Basis of preparation of the Financial Information

The financial information of the Target Company comprising the unaudited statements of financial position of the Target Company as at 31 December 2019, 2020, 2021 and 31 August 2022 and the unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited cash flow statements for the years ended 31 December 2019, 2020, 2021 and eight months ended 31 August 2021 and 2022 (the "**Relevant Periods**"), and explanatory notes (the "**Financial Information**") has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the proposed disposal of the 51% equity interests in the Target Company (the "**Proposed Disposal**").

The Financial Information has been prepared in accordance with the same accounting policies as those adopted by the Group in preparation of the financial statements of the Group for those respective years. The financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised), *Presentation of Financial Statements*, or an interim financial report as defined in Hong Kong Accounting Standard 34, *Interim Financial Reporting*, issued by the HKICPA and should be read in connection with the relevant published annual reports or interim reports of the Company for the Relevant Periods.

As at 31 August 2022, the Target Company had net current liabilities of RMB1,920,000. On 28 September 2022, the Target Company obtained a long-term bank facility of RMB1,500,000,000 from a commercial bank and withdrew a loan of RMB1,400,000,000, leading to a significant improvement to the net current liabilities. Accordingly, the Directors of the Target Company are of the opinion that the Target Company will be able to continue its operations and settle its liabilities for at least the next twelve months from 31 August 2022, and therefore it is appropriate for the Financial Information to be prepared on a going concern basis.

3 Non-adjusting events after the reporting period

On 28 September 2022, the Target Company obtained a bank facility of RMB1,500,000,000 from a commercial bank and withdrew a loan of RMB1,400,000,000 which was secured by the Target Company's investment property.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

1. Introduction

The following is the unaudited pro forma financial information of Overseas Chinese Town (Asia) Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**"), comprising the unaudited pro forma consolidated statement of financial position as at 30 June 2022 and the unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of profit or loss and other comprehensive income, and the unaudited pro forma consolidated cash flow statement for the year ended 31 December 2021 and related notes (collectively, the "**Unaudited Pro Forma Financial Information**").

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), for the purpose of illustrating the effect of the proposed disposal of the 51% equity interests in Shanghai Shouchi Enterprise Management Co., Ltd (the "**Target Company**") (the "**Proposed Disposal**") as described in the section headed "Letter from the Board" in this circular.

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate (i) the financial position of the Remaining Group as at 30 June 2022 as if the Proposed Disposal had been completed on 30 June 2022; and (ii) the statement of profit or loss of the Remaining Group, the statement of profit or loss and other comprehensive income of the Remaining Group, the cash flow statement of the Remaining Group for the year ended 31 December 2021 as if the Proposed Disposal had been completed on 1 January 2021.

The Unaudited Pro Forma Financial Information of the Remaining Group is based upon the consolidated financial information of the Group for year ended 31 December 2021, which has been derived from the Company's published annual report for the year ended and the consolidated financial information of the Group for the six months ended 30 June 2022, which has been derived from the Company's published interim report for the period ended, after taking pro forma adjustments as summarised in the accompanying notes that are clearly shown explained, factually supportable and directly attributable to the Proposed Disposal.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is based on certain assumptions, estimates and current available information. Accordingly, because of its hypothetical nature, it may not give a true picture of the financial results, cash flows and financial position of the Remaining Group had the Proposed Disposal been completed as at the specified dates or any other dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report for year ended 31 December 2021 of the Company or the published interim report of the Company for the six months ended 30 June 2022 and other financial information included elsewhere in this circular.

2. Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group at 30 June 2022

(Expressed in Renminbi)

	The Group as at 30 June 2022	Pro forma adjustments			The Remaining Group as at 30 June 2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note ((b)(i))	*Note ((b)(ii))*	*Note (c)*	
Non-current assets					
Investment property	2,383,698	(1,979,007)		96,145	500,836
Property, plant and equipment	962,927				962,927
Interests in leasehold land held for own use	1,167,790				1,167,790
	4,514,415				2,631,553
Intangible assets	29,078				29,078
Interests in associates	3,616,180				3,616,180
Interests in joint ventures	1,121,310			562,049	1,683,359
Other financial assets	326,536				326,536
Finance lease receivables	14,845				14,845
Other receivable	–		1,400,000		1,400,000
Deferred tax assets	121,843			(44,593)	77,250
	9,744,207				9,778,801
Current assets					
Inventories	11,367,244				11,367,244
Finance lease receivable	59,379				59,379
Trade and other receivables	2,086,557		31,199		2,117,756
Cash at bank and on hand	2,364,025	(31,630)		583,054	2,915,449
Amount due from the Remaining Group	–	(1,273)	1,273		–
	15,877,205				16,459,828

	The Group as at 30 June 2022	Pro forma adjustments			The Remaining Group as at 30 June 2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note ((b)(i))	*Note ((b)(ii))*	*Note (c)*	
Current liabilities					
Trade and other payables	1,727,592	(3,624)	1,273		1,725,241
Amount due to the Remaining Group	–	(31,199)	31,199		–
Contract liabilities	3,386,673				3,386,673
Lease liabilities	13,170			63,263	76,433
Bank and other loans	3,949,613				3,949,613
Related party loans	1,911,000				1,911,000
Current taxation	146,556				146,556
	11,134,604				11,195,516
Net current assets	4,742,601				5,264,312
Total assets less current liabilities	14,486,808				15,043,113
Non-current liabilities					
Bank and other loans	1,813,565				1,813,565
Related party loans	420,000				420,000
Loan from the Remaining Group	–	(1,400,000)	1,400,000		–
Lease liabilities	11,303			60,572	71,875
Deferred tax liabilities	173,477			69,819	243,296
	2,418,345				2,548,736
NET ASSETS	12,068,463				12,494,377

	The Group as at 30 June 2022	Pro forma adjustments			The Remaining Group as at 30 June 2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note ((b)(i))	*Note ((b)(ii))*	*Note (c)*	
CAPITAL AND RESERVES					
Share capital	67,337				67,337
Perpetual capital securities	5,611,516				5,611,516
Reserves	2,662,900			215,087	2,877,987
Total equity attributable to shareholders of the Target Company	8,341,753				8,556,840
Non-controlling interests	3,726,710			210,827	3,937,537
TOTAL EQUITY	12,068,463				12,494,377

3. Unaudited Pro Forma Consolidated Statement of Profit or Loss of the Remaining Group for the year ended 31 December 2021

(Expressed in Renminbi)

	The Group for the year ended 31 December 2021	Pro forma adjustments				The Remaining Group for the year ended 31 December 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note (d)	*Note (e)*	*Note (f)*	*Note (g)*	
Revenue	1,474,128	(98,128)	98,128			1,474,128
Cost of sales	(1,169,981)	64,425	(48,073)			(1,153,629)
Gross profit	304,147					320,499
Other income	55,024	(404)	83,617			138,237
Other net gain	118,265			451,022		569,287
Distribution costs	(89,033)					(89,033)
Administrative expenses	(273,053)	332				(272,721)
Profit from operations	115,350					666,269
Finance costs	(149,216)	86,126	(87,863)			(150,953)
Share of profits less losses of associates	(147,032)					(147,032)
Share of profits less losses of joint ventures	88,742				(42,251)	46,491
Impairment losses on associates	(750,000)					(750,000)
Loss before taxation	(842,156)					(335,225)
Income tax	(56,952)			(103,472)		(160,424)
Loss for the period	(899,108)					(495,649)
Attributable to:						
Equity holders of the Company	(883,252)	26,437	23,134	175,513	(21,337)	(679,505)
Non-controlling interests	(15,856)	25,914	22,675	172,037	(20,914)	183,856
Loss for the period	(899,108)	52,351	45,809	347,550	(42,251)	(495,649)

4. Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group for the year ended 31 December 2021

(Expressed in Renminbi)

	The Group for the year ended 31 December 2021	Pro forma adjustments				The Remaining Group for the year ended 31 December 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note (d)	*Note (e)*	*Note (f)*	*Note (g)*	
Loss for the period	(899,108)	52,351	45,809	347,550	(42,251)	(495,649)
Other comprehensive income for the period (after tax and reclassification adjustments)						
Item that will not be reclassified to profit or loss:						
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)	243,697					243,697
Items that may be reclassified subsequently to profit or loss:						
Exchange differences	13,383					13,383
Share of other comprehensive income of associates	48,960					48,960
Other comprehensive income for the period	306,040					306,040
Total comprehensive income for the period	(593,068)					(189,609)
Attributable to:						
Equity holders of the Company	(577,212)	26,437	23,134	175,513	(21,337)	(373,465)
Non-controlling interests	(15,856)	25,914	22,675	172,037	(20,914)	183,856
Total comprehensive income for the period	(593,068)	52,351	45,809	347,550	(42,251)	(189,609)

5. Unaudited Pro Forma Consolidated Cash Flow Statement of the Remaining Group for the year end 31 December 2021

(Expressed in Renminbi)

	The Group for the year ended 31 December 2021	Pro forma adjustments			The Remaining Group for the year ended 31 December 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note (d)	*Note (e)*	*Note (h)*	
Cash used in operations	(1,756,122)	(86,992)	94,106		(1,749,008)
Tax paid	(145,834)				(145,834)
Interest element of lease rentals paid	(752)		(1,737)		(2,489)
Other interest paid	(274,926)	83,533	(83,533)		(274,926)
Net cash used in operating activities	(2,177,634)				(2,172,257)
Investing activities					
Net cash flow from disposals of subsidiaries	706,416			559,753	1,266,169
Proceeds from disposal of other financial assets	1,100,601				1,100,601
Return of investment from a joint venture	941,430				941,430
Repayment of loans to associates	200,921				200,921
Payment for investments in joint ventures	(815,785)				(815,785)
Payment for investments in associates	(308,788)				(308,788)
Dividend received in advance from associates	219,529				219,529
Payment for purchase of property, plant and equipment and intangible assets	(58,539)				(58,539)
Proceeds from disposals of property, plant and equipment and investment properties	60,894				60,894
Dividends received from associates and joint ventures	33,824				33,824
Interest received	74,431		83,533		157,964
Net cash generated in investing activities	2,154,934				2,798,220

	The Group for the year ended 31 December 2021	Pro forma adjustments			The Remaining Group for the year ended 31 December 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note (d)	*Note (e)*	*Note (h)*	
Financing activities					
Capital element of lease rentals paid	(16,974)		(63,263)		(80,237)
Proceeds from new loans	2,338,099				2,338,099
Repayment of loans	(3,001,643)				(3,001,643)
Decrease of restricted cash for REIT programme	273				273
Distribution to the holders of perpetual capital securities	(232,676)				(232,676)
Net cash used in financing activities	(912,921)				(976,184)
Net decrease in cash and cash equivalents	(935,621)				(350,221)
Cash and cash equivalents at beginning of the year	4,269,520				4,269,520
Effect of foreign exchange rate changes	(7,382)				(7,382)
Cash and cash equivalents at the end of the year	3,326,517				3,911,917

Notes to the Unaudited Pro Forma Financial Information of the Remaining Group:

(a) The Group's financial information is based upon the consolidated financial information of the Group for year ended 31 December 2021, which has been derived from the Company's published annual report for the year then ended and the consolidated financial information of the Group for the six months ended 30 June 2022, which has been derived from the Company's published interim report for the period ended.

(b) The adjustment represents:

(i) the exclusion of assets and liabilities of the Target Company as if the Proposed Disposal had taken place on 30 June 2022 for the unaudited pro forma consolidated statement of financial position. For the purpose of the unaudited pro forma financial information, the balances are extracted from the unaudited financial information of the Target Company as at 31 August 2022 as set out in Appendix II to this circular.

(ii) the reinstatement of intra-group balances between the Remaining Group and the Target Company, which were eliminated at the Group level when preparing the consolidated financial statements of the Group as at 30 June 2022.

(c) The adjustment represents the other financial impacts of the Proposed Disposal as if it had taken place on 30 June 2022 is as follows:

	RMB'000
Estimated consideration for the Proposed Disposal [(i)]	584,990
Less: 51% of net assets of the Target Company as at 31 August 2022 as set out in Appendix II	(294,314)
Less: Estimated professional costs directly attributable to the Proposed Disposal	(1,936)
Less: Deferred gain related to the right-of-use assets retained [(ii)]	(27,690)
Estimated pre-tax gain on the Proposed Disposal	261,050
Less: Estimated tax effects in relation to the gain on the Proposed Disposal calculated at the applicable tax rates	(44,593)
Estimated gain on the Proposed Disposal	216,457
Fair value of 49% of equity interests retained [(iii)]	562,049
Less: 49% of net assets of the Target Company as at 31 August 2022 as set out in Appendix II	(282,773)
Estimated gain on previously held interests in a subsidiary upon loss of control	279,276
Less: Estimated deferred tax effects in relation to the gain on previously held interests in a subsidiary upon loss of control	(69,819)
Gain on previously held interests in a subsidiary upon loss of control	209,457
Net effect on total equity	425,914
Attributable to:	
Equity holders of the Company	215,087
Non-controlling interests	210,827

(i) The estimated consideration of the 51% equity interest is based on the Minimum Price as defined in the circular. The Minimum Price has been determined by the Remaining Group with reference to the Target Company's net assets as at 31 August 2022, and the valuation report provided by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as set out in the Appendix IV to this circular. The final consideration should not be lower than the Minimum Price.

(ii) As disclosed in "LETTER FROM THE BOARD – INFORMATION OF THE TARGET COMPANY", OCT Shanghai Land have been leasing various apartments of the Property from the Target Company. For the purpose of the preparation of the Unaudited Pro Forma Financial Information, the financial impacts of the ongoing lease arrangement between the Remaining Group and the Target Company upon the completion of the Proposed Disposal was determined based on the terms of the existing lease arrangement. The Group measured the lease liabilities for the leases of RMB123,835,000 at the present value of the lease payments over the remaining lease terms, discounted using the relevant incremental borrowing rates at 30 June 2022. The Group recognised the right-of-use assets and measured at the proportion of the previous carrying amount of the property that relates to the right of use retained by the Group, which is RMB96,145,000. The deferred gain of RMB27,690,000 related to the right-of-use assets retained has been deducted from the estimated gain on the Proposed Disposal accordingly.

(iii) The fair value of the 49% equity interests on the net assets of the Target Company retained is calculated based on the estimated consideration of the 51% equity interests. As discussed in the circular, it is expected that OCT Shanghai Land and the successful bidder for the public tender of the Target Company (the "**Purchaser**"), will enter into a joint venture agreement and/or a new articles of association (the "**JV Arrangements**") with respect to their rights and obligations as shareholders of the Target Company. The Company expects that the JV Arrangements will be based on certain principal terms set out in the circular, and will be liaised and agreed upon after the identity of the Purchaser is confirmed.

(d) The adjustment represents the exclusion of results and cash flows of the Target Company for the year ended 31 December 2021 as if the Proposed Disposal had been completed on 1 January 2021 for the unaudited pro forma consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement. The amounts are extracted from the unaudited financial information of the Target Company for the year ended 31 December 2021 as set out in Appendix II to this circular.

(e) The adjustments represent the reinstatement of intra-group transactions between the Remaining Group and the Target Company, which were eliminated at the Group level when preparing the consolidated financial statements of the Group for the year ended 31 December 2021.

Upon the completion of the Proposed Disposal, the Group would recognise the right-of-use asset and lease liabilities in respect of the ongoing lease arrangements between the Remaining Group and the Target Company mentioned in Note (c). The adjustments also included the depreciation of the right-of-use asset on a straight-line basis and the interest expense of the lease liabilities calculated using the effective interest method.

(f) The adjustments represent the estimated net gain on the Proposed Disposal as if it had taken place on 1 January 2021, which is as follows:

	RMB'000
Estimated consideration for the Proposed Disposal (see Note (c)(i))	584,990
Less: 51% of net assets of the Target Company as at 1 January 2021 as set out in Appendix II	(339,859)
Less: Estimated professional costs directly attributable to the Proposed Disposal	(1,936)
Less: Deferred gain related to the right-of-use assets retained (see Note (c)(ii))	(27,690)
Estimated pre-tax gain on the Proposed Disposal	215,505
Less: Estimated tax effects in relation with the gain on the Proposed Disposal calculated at the applicable tax rates	(44,593)
Estimated gain on the Proposed Disposal	170,912
Fair value of 49% of equity interests retained (see Note (c)(iii))	562,049
Less: 49% of net assets of the Target Company as at 1 January 2021 as set out in Appendix II	(326,532)
Estimated gain on previously held interests in a subsidiary upon loss of control	235,517
Less: Estimated deferred tax effects in relation with gain on previously held interests in a subsidiary upon loss of control	(58,879)
Gain on previously held interests in a subsidiary upon loss of control	176,638
Net effect on the profit for the year [(i)]	347,550
Attributable to:	
Equity holders of the Company	175,513
Non-controlling interests	172,037

(i) The net effect on profit for the year was the aggregation of the estimated gain on the Proposed Disposal and the gain on previously held interests in a subsidiary upon loss of control.

(g) The adjustments represent the share of the loss of the Target Company for the year ended 31 December 2021, assuming the Proposed Disposal had taken place on 1 January 2021 and the JV Arrangement (see Note (c)(iii)) began on the same date.

	RMB'000
Loss and total comprehensive income for the year ended 31 December 2021 of the Target Company as set out in Appendix II	(52,351)
Less: net effect due to the ongoing lease arrangement between the Remaining Group and Target Company [(i)]	(33,876)
Estimated loss for the year ended 31 December 2021 of the Target Company	(86,227)
49% Share of estimated loss of the Target Company	(42,251)

(i) Similar to Note (c)(ii), for the purpose of the preparation of the Unaudited Pro Forma Financial Information, the financial impacts of the ongoing lease arrangement between the Remaining Group and the Target Company upon the completion of the Proposed Disposal was determined based on the terms of the existing lease arrangement. As a result of this, the Target Company would record a decrease in revenue (excluding VAT) of RMB38,495,000 net off by the decrease in property tax of RMB4,619,000.

(h) The adjustments represent the net cash flow as if the Proposed Disposal had taken place on 1 January 2021:

	RMB'000
Estimated consideration for the Proposed Disposal (see Note (c)(i))	584,990
Less: Cash and cash equivalents held by the Target Company as at 1 January 2021	(23,301)
Less: Estimated professional costs directly attributable to the Disposal	(1,936)
Net proceeds from the Proposed Disposal, net of cash disposed of	559,753

(i) Other than the adjustments relating to financial impacts on the remaining 49% share of the Target Company, the adjustments in respect of the unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated cash flow statement above are not expected to have a continuing effect on the Remaining Group.

(j) The estimated consideration, estimated gain on the Proposed Disposal, net cash inflows from the Proposed Disposal and the net amounts due to the Remaining Group of the Target Company as illustrated above are subject to change. The final consideration, actual carrying amount of the Target Company, the respective net amounts due to the Remaining Group of the Target Company, cash and cash equivalents held by the Target Company and thus the gain on Proposed Disposal and net proceeds from the Proposed Disposal at the date of Completion will likely be different from those stated in the pro forma financial information.

(k) No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 30 June 2022 for the unaudited pro forma consolidated statement of financial position and 31 December 2021 for the unaudited pro forma consolidated statement of profit and loss, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated cash flow statement, including the repayment of RMB1,400,000,000 loan from shareholder by a loan from a commercial bank in PRC as disclosed in Appendix II to this Circular.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, KPMG, Certified Public Accountants, Hong Kong.

KPMG

Independent Reporting Accountants' Assurance Reporting on the Compilation of Pro Forma Financial Information

To the Directors of Overseas Chinese Town (Asia) Holdings Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Overseas Chinese Town (Asia) Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2022 and the unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and pro forma consolidated cash flow statement for the year ended 31 December 2021 and related notes as set out in Part A of Appendix III to the circular dated 25 October 2022 (the "**Circular**") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix III to the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed disposal of the 51% equity interests in Shanghai Shouchi Enterprise Management Co., Ltd (the "**Target Company**") (the "**Proposed Disposal**") on the Group's financial position as at 30 June 2022 and the Group's financial performance and cash flows for the year ended 31 December 2021 as if the Proposed Disposal had taken place at 30 June 2022 and 1 January 2021, respectively. As part of this process, information about the Group's financial position as at 30 June 2022 has been extracted by the Directors from the interim financial report the Group for the six months ended 30 June 2022, on which no review report has been published. Information about the Group's financial performance and cash flows for the year ended 31 December 2021 has been extracted by the Directors from the consolidated financial statements of the Group for the year ended 31 December 2021, on which an audit report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("**HKSAE**") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 June 2022 and 1 January 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

a) the pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the Group, and

c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants
Hong Kong
25 October 2022

The following is the text of a letter and the valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation as at 31 August 2022 of the Property held by the Target Company.

JLL 仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place
979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

The Board of Directors
Overseas Chinese Town (Asia) Holdings Limited (the "Company")
59/F., Bank of China Tower
1 Garden Road
Hong Kong

25 October 2022

Dear Sirs,

Overseas Chinese Town (Shanghai) Land Company Limited ("**OCT Shanghai Land"**, an indirect non-wholly-owned subsidiary of the Company) intends to dispose of 51% equity interests in Shanghai Shouchi Enterprise Management Ltd. ("**Target Company or Shouchi Enterprise"**, an indirect non-wholly-owned subsidiary of the Company) (i.e. the Sale Interests) through Public Tender to be conducted on China Beijing Equity Exchange ("**CBEX**"). Hence, the Board proposes to seek the Proposed Mandate to be granted in advance by the Shareholders at the EGM for the Directors to enter into and complete the proposed disposal of the Sale Interests.

In accordance with your instructions to value the property interest held by the Target Company in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 31 August 2022 (the "**valuation date**").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have valued the property interest by comparison approach assuming sale of the property interest in their existing state subject to tenancy and by making reference to comparable sales transactions as available in the market. Appropriate adjustments and analysis are considered to the differences in location, size, building age and other characters between the comparable properties and the subject property.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and Shanghai Shouchi and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, and particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of Real Estate Title Certificate relating to the property interest and have made relevant enquires. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the OCT Shanghai Land's PRC legal advisor – V&T (Shanghai) Law Firm, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

The site inspection was carried out on 14 September 2022 by Ms. Queena Qiao who has obtained a bachelor degree in asset appraisal and has 6 years' valuation experience in the real estate industry of the PRC. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and Shanghai Shouchi. We have also sought confirmation from the Company and Shanghai Shouchi that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world.

As of the report date, China's economy has recovered and most business activities have been back to normal. We also note that market activity and market sentiment in this particular market sector remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of this property under frequent review.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS RPS (GP)
Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 28 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION SUMMARY

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2022 *RMB*
133 apartment units of a building located at Lane 108, North Shanxi Road, Jing'an District, Shanghai The PRC	The property is located at Lane 108, North Shanxi Road, Jing'an District. The locality is a mature residential and commercial area. It is well served by public facilities and landmark developments such as Joy City and Raffles City are located nearby. The property occupies a parcel of land with a site area of approximately 35,490.46 sq.m. (including the land use rights of the property) which had been developed into a composite building. As at the valuation date, the property was rented to OCT Shanghai Land for rental housing purpose. As at the valuation date, the property comprises 133 apartment units on levels 5 to 38 of a 47-storey composite building which was completed in 2016. The property has a gross floor area of approximately 24,937.36 sq.m. The land use rights of the subject land parcel have been granted for a term expiring on 9 March 2061 for commercial, office, cultural entertainment and residential uses.	As at the valuation date, the property was rented to OCT Shanghai Land for rental housing purpose.	3,397,000,000

Notes:

1. Pursuant to a Real Estate Title Certificate – Hu (2019) Jing Zi Bu Dong Chan Quan Di No. 015125, the land use rights of a parcel of land with a site area of approximately 35,490.46 sq.m. (including the land use rights of the property) have been granted to Shouchi Enterprise for a term expiring on 9 March 2061 for commercial, office, cultural entertainment and residential uses. The property with a gross floor area of approximately 24,937.36 sq.m. for office use is owned by Shouchi Enterprise.

2. As at the valuation date, pursuant to a Tenancy Agreement, the property with a gross floor area of approximately 24,937.36 sq.m. was leased to OCT Shanghai Land for rental housing purpose from 18 September 2019 to 17 September 2037, and the annual passing rent was RMB101,573,686, exclusive of VAT, management fees, water and electricity charges. As advised by OCT Shanghai Land, the Tenancy Agreement was terminated on 17 September 2022.

3. As at the report date, pursuant to a Tenancy Agreement, the property with a total gross floor area of approximately 24,937.36 sq.m. was leased to OCT Shanghai Land for rental housing purpose with current lease period from 18 September 2022 to 17 September 2024, and the total annual rent was approximately RMB65,000,000 (inclusive of VAT).

4. The unit number of the property is set out as below:

Level	**Unit Nos.**
5F	501, 506 to 510
6F	605 to 610
7F	702, 705 to 710
8F	802, 806 to 809
9F	902, 903, 906 to 910
10F	1005, 1007 to 1009
11F	1105, 1107 to 1109
12F	1201, 1205, 1207, 1208 and 1210
15F	1505 to 1509
16F	1603, 1605 to 1609
19F	1901, 1905 and 1907
20F	2003, 2005 to 2007
21F	2105 to 2108
22F	2203, 2205 to 2207 and 2209
23F	2302, 2303, 2305 to 2307 and 2310
25F	2505, 2506 and 2509
26F	2601 and 2610
27F	2702, 2703 and 2710
28F	2803, 2805 to 2807
29F	2902, 2903, 2905, 2907, 2909 and 2910
30F	3002, 3003, 3006 and 3008
31F	3102 and 3105
32F	3201 to 3203, 3205 and 3206
35F	3501 to 3503, 3505 and 3506
36F	3601 to 3603, 3605 to 3610
37F	3701 to 3703, 3705 and 3709
38F	3801 to 3803, 3805 to 3808 and 3810

5. Our valuation has been made on the following basis and analysis:

We have analyzed market comparables in 3 buildings and the details are summarized as following:

Comparable building	**A**	**B**	**C**
Property Name	**No. 9 Jinan Road**	**BVLGARI Apartment**	**Lanson Place Jinlin Tiandi Residence Shanghai**
Location	No. 9 Jinan Road, Huangpu District	Lane 108, North Shanxi Road, Jing'an District	No. 3 Lane 168 Xingye Road, Huangpu District
Year of Completion	2008	2016	2005
Existing usage	Apartment	Apartment	Apartment
Date	June to September 2022	June to September 2022	June to September 2022
Floor Area *(sq.m.)*	80-150	146-256	160-280
Nature	Strata-title sales	Strata-title sales	Strata-title sales
Asking/transaction price *(RMB psm)*	130,000-180,000	160,000-190,000	130,000-210,000

In undertaking our valuation, we have made reference to market comparables in Building A, Building B and Building C which are located close to the subject property or located in the core area of Shanghai with similar building conditions and facilities. The unit price of these comparable properties ranges from RMB130,000 to RMB210,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in several aspects including time, size, location and physical characteristics between the comparable properties and the subject property to arrive at the market value of the property at RMB3,397,000,000 (at the average unit rate of RMB136,221 per sq.m.). The general basis of adjustment of physical characteristics like building age, size and layout, etc. and location such as accessibility is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition between the transaction date and valuation date is considered.

6. We have been provided with a legal opinion regarding the property interest by OCT Shanghai Land's PRC legal advisor, which contains, inter alia, the following:

   a. The ownership rights of the property are legal and clear;

   b. The property is in operation for rental housing use and the usage of the property complies with the permitted use identified by the relevant authorities, there is no violation of the mandatory regulations of the relevant laws;

   c. Pursuant to the mortgage registration dated 27 September 2022, the property is subject to mortgage in favour of Shanghai Pudong Development Bank Co., Ltd. Sanlin Sub-branch (the "**Bank**"), as security for the principal obligation for an amount of RMB1,500,000,000 within the period from 23 September 2022 to 31 December 2036;

   d. Except for the mortgage mentioned in note 6(c), the property is not subject to other mortgages or seizure by the court; and

   e. The property can be legally transferred upon obtaining the Bank's consent or removal of the mortgage registration.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST IN SECURITIES

Directors' and chief executive

As at the Latest Practicable Date, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) of the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules (the "**Model Code**") are as follows:

Name of Director	Capacity/Nature	Number of Shares interested *(long position)*	% of Shares in issue *(approximate)*
Lam Sing Kwong Simon	Beneficial owner	1,000,000	0.13%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Party XV of the SFO, as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial shareholders and other person

As at the Latest Practicable Date, as far as the Directors are aware of, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	**Capacity/Nature**	**Number of Shares interested** *(long position)*	**% of Shares in issue** *(approximate)*
Pacific Climax Limited (“**Pacific Climax**”)	Beneficial owner *(note 1)*	530,894,000	70.94%
Overseas Chinese Town (HK) Company Limited (“**OCT (HK)**”)	Interest of a controlled corporation *(note 2)*	530,894,000	70.94%
Shenzhen Overseas Chinese Town Company Limited (“**OCT Ltd.**”)	Interest of a controlled corporation *(note 3)*	530,894,000	70.94%
Overseas Chinese Town Group Company Limited (“**OCT Group**”)	Interest of a controlled corporation *(note 4)*	530,894,000	70.94%

Notes:

(1) The interests held by Pacific Climax consist of interests (long position) in 530,894,000 Shares. Ms. Xie Mei and Mr. Lin Kaihua, both being executive Directors, and Mr. Wang Wenjin, being a non-executive Director, are also directors of Pacific Climax.

(2) OCT (HK) is the beneficial owner of all the issued share capital in Pacific Climax. Therefore, OCT (HK) is deemed, or taken to be interested in all the Shares beneficially held by Pacific Climax for the purpose of the SFO. Ms. Xie Mei, being an executive Director, and Mr. Wang Wenjin, being a non-executive Director, are also directors of OCT (HK).

(3) OCT Ltd. is the beneficial owner of all the issued share capital of OCT (HK), which is in turn the beneficial owner of all the issued share capital of Pacific Climax. OCT Ltd. is deemed, or taken to be interested in all the Shares which are beneficially owned by OCT (HK) and Pacific Climax pursuant to the SFO. OCT Ltd. is a company incorporated in the PRC, the shares of which are listed on the Shenzhen Stock Exchange. OCT Ltd. is a subsidiary of OCT Group.

(4) OCT Group is the holding company of OCT Ltd. and together with its wholly-owned subsidiary, Shenzhen OCT Capital Investment Management Company Limited, hold approximately 47.97% interests in OCT Ltd., which is the beneficial owner of all the issued shares of OCT (HK) and in turn, the beneficial owner of all the issued share capital of Pacific Climax. Therefore, OCT Group is deemed, or taken to be interested in all the Shares which are beneficially owned by OCT Ltd., OCT (HK) and Pacific Climax for the purpose of the SFO.

Save as disclosed above, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company as at the Latest Practicable Date.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors and their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete with the businesses of the Group.

5. DIRECTORS' INTERESTS IN THE ASSETS AND CONTRACTS

As at the Latest Practicable Date, (i) none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up); and (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting and which was significant in relation to the businesses of the Group.

6. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years immediately preceding the date of this circular and which are or may be material:

(1) the cooperation agreement dated 8 December 2020 and entered into between the Company and HNW Investment Fund Series SPC in relation to, among other things, (i) the subscription of not more than 49% interest in the Serica Segregated Portfolio at a subscription amount of not more than HK$417 million, and (ii) the disposal of the entire issued shares of City Turbo Limited ("**City Turbo**") (including the entire assets, rights and liabilities of City Turbo) at a total consideration of approximately HK$2,037 million;

(2) the limited partnership agreement entered into between Shenzhen OCT Gangya Holdings Development Co. Ltd. ("**Gangya**"), Shenzhen Huayou Investment Limited ("**Huayou**"), both of which are indirect wholly-owned subsidiaries of the Company, Shanghai Xuxiang Trading Co. Ltd., Panxing Capital Management (Shenzhen) Co., Ltd. and Xiamen Zhongmao Yitong Commerce Co., Ltd. in relation to the establishment of the a partnership on 23 February 2021, pursuant to which Gangya and Huayou are required to contribute, RMB10,000 and RMB600,000,000, representing approximately 0.001% and 74.998% of the total capital of such partnership at that time, respectively;

(3) the supplemental agreement dated 9 April 2021 entered into between, among others, the Company, City Legend International Limited ("**City Legend**"), HNW Investment Fund Series SPC and City Turbo to the private placing memorandum under which, subject to all parties to the said supplemental agreement obtaining all requisite approvals, the open period for the transfer or redemption of the fund shares of the Serica Segregated Portfolio is to be amended;

(4) the limited partnership agreement entered into between Gangya, Huayou, Shenzhen Haomei Enterprise Co., Ltd., Shenzhen Jingcheng Enterprise Co., Ltd., in relation to the establishment of a partnership on 26 April 2021, pursuant to which Gangya and Huayou are required to contribute, RMB10,000 and RMB719,240,000, representing approximately 0.001% and 74.999% of the total capital of such partnership at that time, respectively;

(5) four State-owned Land Use Rights Grant Contracts dated 30 June 2021 (and their respective supplemental agreement dated 30 June 2021) entered into between Hefei OCT Industry Development Co., Ltd. ("**Hefei OCT Industry**") and Hefei Municipal Natural Resources and Planning Bureau in respect of the acquisition of the land use rights of the four parcels of land with a total site area of approximately 913.05 mu located at the second phase of Hefei Airport International Town located in Xinqiao Technology Innovation Demonstration Zone in Hefei at the total consideration of approximately RMB2,805 million;

(6) the property service framework agreement entered into between Hefei OCT Industry and Hefei branch office of OCT Property (Group) Co., Ltd. ("**OCT Property (Hefei)**") on 7 July 2021, pursuant to which OCT Property (Hefei) will provide property services for Hefei Airport International Town Project and the office areas of Hefei OCT Industry to Hefei OCT Industry for the period from 7 July 2021 to 31 December 2022;

(7) the investment agreement entered into between City Legend, Semk Holdings International Limited ("**Semk Holdings**"), Semk Global Investment Ltd ("**Semk Global**") and Mr. Hui Ha Lam dated 7 July 2021, in respect of the subscription and acquisition of an aggregate of approximately 9.5% of the enlarged issued share capital of Semk Holdings by City Legend at an aggregate consideration of HK$142,500,585;

(8) the amended and restated shareholders' agreement relating to Semk Holdings entered into among City Legend, Semk Holdings, Semk Global, Top Plenty Limited, Sky Planner Investments Limited, Wisdom Thinker Limited and Unite Way Investment Holding Limited dated 9 July 2021 in connection with the management and control of Semk Holdings and its subsidiaries, and the rights and interests of its shareholders;

(9) the partnership agreement entered into among Shenzhen OCT Huaxin Equity Investment Management Limited ("**Huaxin**", an indirect wholly-owned subsidiary of the Company), Nantong Zijing Huatong Corporate Management Limited, Gangya, Nantong Industry Investment Master Fund Limited, Nantong Sutong Technology Industry Park Holding Development Limited and Yiwu Finance Holding Limited dated 19 July 2021 in relation to the establishment of a partnership, pursuant to which Huaxin and Gangya are required to contribute, RMB10,000,000 and RMB390,000,000, representing approximately 1% and 39% of the total capital of such partnership at that time, respectively; and

(10) the limited partnership agreement entered into among Huaxin, Shenzhen Huajing Investment Limited ("**Huajing**", an indirect wholly-owned subsidiary of the Company), Guangdong Fogao Private Equity Management Limited, Guangdong Fogao Holding Limited, Foshan Nanhai Industry Development Investment Management Limited, Foshan Shunde Shunsheng Investment Development Limited, Foshan Gaotou Yingju Investment Management Limited, Foshan City Gaoming Xijiang Xincheng Development Group Limited and Foshan Sanshui Zhongxin Technology Industrial Park Development Limited dated 15 December 2021 in relation to the establishment of a partnership, pursuant to which Huaxin and Huajing are required to contribute RMB2,000,000 and RMB68,000,000, representing approximately 1% and 34% of the total capital of such partnership at that time, respectively.

8. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware of, no litigation or claim of material importance is pending or threatened against any member of the Group.

9. EXPERTS QUALIFICATIONS AND CONSENT

The following are the qualifications of the experts who have given opinions or advice, which are contained or referred to in this circular:

Name	Qualifications
KPMG	Certified public accountants
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property valuer

Each of the above experts has respectively confirmed that, as of the Latest Practicable Date, it: (i) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) had no interests, direct or indirect, in any assets which had been, since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its statement, letter or report (as the case may be) and reference to its name in the form and context in which they respectively appear.

10. GENERAL

(1) The company secretary and the qualified accountant of the Company is Mr. Fong Fuk Wai, who is a fellow member of the Hong Kong Institute of Certified Public Accountants.

(2) The Company's registered office is at Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The head office and principal place of business is at 59/F., Bank of China Tower, 1 Garden Road, Hong Kong.

(3) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(4) The English text of this circular shall prevail over the Chinese text in case of inconsistency, unless stipulated otherwise.

11. DOCUMENTS ON DISPLAY

The following documents will be published on the websites of the Company and the Stock Exchange (www.hkexnews.hk) for a period of not less than 14 days from the date of this circular (inclusive):

(1) the report on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;

(2) the property valuation report of the Property, the text of which is set out in Appendix IV to this circular; and

(3) the written consents from each of the experts referred to in the section headed "*Experts qualifications and consent*" in this appendix.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

For the health and safety of the shareholders of the Company, the Company strongly encourages the shareholders to appoint the chairman of the meeting as their proxy to vote on the relevant resolution at the EGM as an alternative to attending the EGM in person.

Please refer to the notes below and page ii of the circular of the Company issued on the same date for the measures to be implemented at the EGM. The Company may implement further changes and precautionary measures as appropriate.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Overseas Chinese Town (Asia) Holdings Limited (the "**Company**") will be held on Wednesday, 9 November 2022 at 10:00 a.m. at 3/F., Jacaranda IBC, OCT Harbour, Baishi Road, Nanshan District, Shenzhen, the People's Republic of China (or any adjournment thereof) for considering and, if thought fit, passing, with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT:**

(a) the Company be and is hereby authorised, through Overseas Chinese Town (Shanghai) Land Company Limited, an indirect non-wholly-owned subsidiary of the Company, to dispose of 51% equity interests in Shanghai Shouchi Enterprise Management Ltd. by way of a public tender in accordance with the major terms as stated in the circular of the Company dated 25 October 2022, and the aforesaid disposal and the transactions contemplated thereunder (the "**Proposed Disposal**") be and are hereby approved, ratified and confirmed; and

(b) any one director of the Company be and are hereby authorised to proceed with the public tender, and to exercise all the powers of the Company and to do all such things and acts, and to negotiate, approve, agree, sign, initial, ratify, execute (and where required, to affix the common seal of the Company thereon) and/or deliver all documents and take all steps which may be in his/her opinion necessary, desirable or expedient to implement and/or give effect to the Proposed Disposal."

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

Hong Kong, 25 October 2022

Notes:

1. References to time and dates in this notice are to Hong Kong time and dates.

2. Voting at the EGM shall be taken by poll.

3. A form of proxy for use at the EGM is enclosed to the circular of the Company issued on the same date.

   The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

   To be valid, the instrument appointing a proxy and (if required by the board of Directors (the "**Board**")) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

   Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.

   Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.

4. Where there are joint holders of any shares, any one of such joint holder may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

5. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 4 November 2022 (Friday) to 9 November 2022 (Wednesday, being the record date for the EGM) (both days inclusive), during which period no transfer of the Shares will be registered. To be eligible to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 3 November 2022 (Thursday).

6. If any shareholder chooses not to attend the EGM in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter to the Company's email at ir-asia@chinaoct.com.

7. Shareholders and the proxies who attend the EGM physically must strictly comply with the pandemic prevention requirements of local governmental departments. Please wear a mask and keep a safe distance during the whole process. Please follow the arrangements of the staff and cooperate with the implementation of pandemic prevention measures, including (among other things) attendee registration, temperature checks, health and travel information inquiry, health code scanning and presentation, etc. Shareholders and their proxies who do not meet the requirements of the pandemic prevention policies will not be able to attend the EGM.