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Overseas Chinese Town (Asia) Holdings Limited

華僑城(亞洲)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03366)

DISCLOSEABLE TRANSACTION

PROVISION OF FINANCIAL SUPPORT

Reference is made to the announcement of the Company dated 8 December 2020 and the circular of the Company dated 15 December 2020 in relation to, among others, a major transaction regarding the Company's Subscription to the Cayman Fund.

The Cayman Fund has acquired the entire issued shares of City Turbo, which in turn holds the entire equity interest in Xi'an Huayi Land, from the Company in 2020. Xi'an Huayi Land holds the entire interest of the OCT Chang'an Metropolis Project.

Pursuant to the Private Placing Memorandum, the Company has undertaken to procure (but not guarantee) that Xi'an Huayi Land shall (i) have at least RMB60 million in its PRC bank account for operation purpose immediately upon transferring RMB150 million by Xi'an Huayi Land to the designated bank account of the Cayman Fund or the Target Company and (ii) remit an amount of not less than RMB60 million each year to the Cayman Fund for the first two years of the inception of the Cayman Fund, i.e. two years ending 30 December 2022. If Xi'an Huayi Land is unable to make the RMB60 million remittance in full, Xi'an Huayi Land may use the Operation Reserve to meet the shortfall. If utilisation of the Operation Reserve results in Xi'an Huayi Land having difficulty in its operation, then the Company guarantees and undertakes to HNW SPC, the Cayman Fund, the Other Investor(s) and the Manager that the Company will, or the Company will procure its designated third party to provide the Financial Support. When Xi'an Huayi Land has sufficient cashflow, it should first repay the Company or any of its designated third party.

At least three months before the second anniversary of the inception of the Cayman Fund, the relevant parties will negotiate regarding the Financial Support arrangement for such shortfall amount subsequent to the third year of the inception of the Cayman Fund, and such arrangement shall only be proceeded after the Company has completed all necessary procedures and obtained all necessary approvals (if required) pursuant to the Listing Rules and other applicable laws and regulations.

Accordingly, on 30 December 2022, the Company, City Legend, HNW SPC, the Manager, Other Investors, and Project Entities entered into the Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Financial Support for the two years ending 30 December 2024 exceeds 5% but is less than 25%, the Financial Support for the two years ending 30 December 2024 constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from the circular and Shareholders' approval requirements, under Chapter 14 of the Listing Rules.

As no Director has a material interest in the Financial Support for the two years ending 30 December 2024, none of the Directors is required to abstain from voting on the relevant board resolutions approving the Financial Support for the two years ending 30 December 2024.

Reference is made to the announcement of the Company dated 8 December 2020 and the circular of the Company dated 15 December 2020 in relation to, among others, a major transaction regarding the Company's Subscription to the Cayman Fund.

BACKGROUND

(1) Information of Xi'an Huayi Land

The Cayman Fund has acquired the entire issued shares of City Turbo, which in turn holds the entire equity interest in Xi'an Huayi Land, from the Company in 2020. Xi'an Huayi Land is a company established in the PRC with limited liability and is principally engaged in the provision of property leasing and management services. Xi'an Huayi Land holds the entire interest of the OCT Chang'an Metropolis Project, which is located at the Bell Tower business district at the centre of Xi'an City and is a commercial landmark along Chang'an Road. The project occupies a total gross floor area of approximately 104,700 square metres, comprising high-end office properties such as Building No. 2 and Building No. 3 of Chang'an Metropolis Centre, as well as part of the car parking spaces.

(2) Original guarantee by the Company

Pursuant to the Private Placing Memorandum, the Company has undertaken to procure (but not guarantee) that Xi'an Huayi Land shall (i) have at least RMB60 million in its PRC bank account for operation purpose (the "**Operation Reserve**") immediately upon transferring RMB150 million by Xi'an Huayi Land to the designated bank account of the Cayman Fund or the Target Company and (ii) remit an amount of not less than RMB60 million each year to the Cayman Fund for the first two years of the inception of the Cayman Fund, i.e. two years ending 30 December 2022. If Xi'an Huayi Land is unable to make the RMB60 million remittance in full, Xi'an Huayi Land may use the Operation Reserve to meet the shortfall. If utilisation of the Operation Reserve results in Xi'an Huayi Land having difficulty in its operation, then the Company guarantees and undertakes to HNW SPC, the Cayman Fund, the Other Investor(s) and the Manager that the Company will, or the Company will procure its designated third party to, provide financial support to Xi'an Huayi Land to resolve the difficulty (the "**Financial Support**"). When Xi'an Huayi Land has sufficient cashflow, it should first repay the Company or any of its designated third party.

At least three months before the second anniversary of the inception of the Cayman Fund, the relevant parties will negotiate regarding the Financial Support arrangement for such shortfall amount subsequent to the third year of the inception of the Cayman Fund, and such arrangement shall only be proceeded after the Company has completed all necessary procedures and obtained all necessary approvals (if required) pursuant to the Listing Rules and other applicable laws and regulations.

Accordingly, on 30 December 2022, the Company, City Legend, HNW SPC, the Manager, Other Investors, and Project Entities entered into the Agreement.

THE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date

30 December 2022

Contracting parties

- (1) The Company and City Legend;
- (2) HNW SPC;
- (3) The Manager;
- (4) Other Investors; and
- (5) Project Entities.

Major term of the Agreement

Pursuant to the Agreement, the Company undertakes to procure (but not guarantee) that Xi'an Huayi Land shall remit an amount of not less than RMB60 million each year to the Cayman Fund for a further two years of the inception of the Cayman Fund, i.e. two years ending 30 December 2024. If Xi'an Huayi Land is unable to make the RMB60 million remittance in full, Xi'an Huayi Land may use the Operation Reserve to meet the shortfall. If utilisation of the Operation Reserve results in Xi'an Huayi Land having difficulty in its operation, then the Company guarantees and undertakes to HNW SPC, the Cayman Fund, the Other Investor(s) and the Manager that the Company will, or the Company will procure its designated third party to provide the Financial Support. When Xi'an Huayi Land has sufficient cashflow, it should first repay the Company or any of its designated third party.

At least three months before the fourth anniversary of the inception of the Cayman Fund, the relevant parties will negotiate regarding the Financial Support arrangement for such shortfall amount subsequent to the fifth year of the inception of the Cayman Fund, and such arrangement shall only be proceeded after the Company has completed all necessary procedures and obtained all necessary approvals (if required) pursuant to the Listing Rules and other applicable laws and regulations.

REASONS FOR AND BENEFITS OF THE AGREEMENT

The terms of the Agreement were arrived at after arm's length negotiations between the Investors. The Directors are of the view that the above arrangement is fair and reasonable after taking into account the following reasons:

1. based on the past performance and financial position of Xi'an Huayi Land and the fact that no Financial Support was required previously, the Company expects that Xi'an Huayi Land will have sufficient working capital for its operation in the coming years and it is unlikely that the Company will be required to provide the Financial Support for the two years ending 30 December 2024; and
2. even if the Company is required to provide the Financial Support, Xi'an Huayi Land shall first return such amount provided by the Company when Xi'an Huayi Land has sufficient cashflow.

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

INFORMATION OF THE CAYMAN FUND

The Cayman Fund is a segregated portfolio of HNW SPC named Serica Segregated Portfolio and the Private Placing Memorandum was registered with the Cayman Islands Monetary Authority in accordance with the applicable laws in the Cayman Islands. For details of the terms of the Cayman Fund, please refer to the sections headed "THE SUBSCRIPTION" and "INFORMATION OF THE CAYMAN FUND" in the circular of the Company dated 15 December 2020.

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 involve 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.

INFORMATION OF HNW SPC AND MANAGER

HNW SPC is an exempted company registered as a segregated portfolio company under the laws of the Cayman Islands with limited liability. Its ultimate beneficial owner is CCB International (Holdings) Limited and is principally engaged in direct investment, asset management, and the provision of sponsor and underwriting, financial advice and securities brokerage services.

The Manager of the Cayman Fund is a company incorporated in Hong Kong and licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. It is principally engaged in asset management and investment businesses, covering various sectors such as healthcare, consumer and retail, energy and transportation, information technology, media and real estate.

The Manager is wholly-owned by CCB International (Holdings) Limited, which is in turn an indirect wholly-owned subsidiary of China Construction Bank Corporation. China Construction Bank Corporation is a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 00939) and the Shanghai Stock Exchange (stock code: 601939).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, HNW SPC, Manager and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE PROJECT ENTITIES

City Turbo is an investment holding company incorporated in Hong Kong. As at the date of this announcement, City Turbo is wholly owned by the Cayman Fund.

As at the date of this announcement, City Turbo holds the entire equity interest in Xi'an Huayi Land, which is a company established in the PRC with limited liability and is principally engaged in the provision of property holding, leasing and management services.

INFORMATION OF OTHER INVESTORS

- (1) CENTURY GINWA RETAIL HOLDINGS LIMITED (世紀金花商業控股有限公司), a company incorporated in Bermuda with limited liability and having its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 0162). According to the company's annual report for the year ended 31 March 2020, the principal activities of the company and its subsidiaries are the operation of department stores, a shopping mall and supermarkets in the People's Republic of China; and
- (2) Kinetic Creation Global Investments Limited is an investment holding company wholly-owned by CCBI Investments Limited.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Other Investors and their respective ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Financial Support for the two years ending 30 December 2024 exceeds 5% but is less than 25%, the Financial Support for the two years ending 30 December 2024 constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from the circular and Shareholders' approval requirements, under Chapter 14 of the Listing Rules.

As no Director has a material interest in the Financial Support for the two years ending 30 December 2024, none of the Directors is required to abstain from voting on the relevant board resolutions approving the Financial Support for the two years ending 30 December 2024.

DEFINITIONS

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

“Agreement”	an agreement entered into between the Company, City Legend, HNW SPC, the Manager, Other Investors, and Project Entities on 30 December 2022 in relation to the financial support by the Company to Xi’an Huayi Land
“Board”	the board of directors of the Company
“Cayman Fund”	a segregated portfolio created by the HNW SPC
“City Legend”	City Legend International Limited, a wholly-owned subsidiary of the Company
“City Turbo” or “Target Company”	City Turbo Limited (港名有限公司), a company incorporated in Hong Kong with limited liability
“Company”	Overseas Chinese Town (Asia) Holdings Limited (華僑城(亞洲)控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement
“HNW SPC”	HNW Investment Fund Series SPC, an exempted company registered as a segregated portfolio company under the laws of the Cayman Islands with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent of and not connected with the Company and its connected persons
“Investor(s)”	the Company and the Other Investor(s)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	CCB International Asset Management Limited (建銀國際資產管理有限公司), a company incorporated in Hong Kong and licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities
“Other Investor(s)”	(1) Century Ginwa Retail Holdings Limited (世紀金花商業控股有限公司), a company incorporated in Bermuda with limited liability and having its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 0162); and (2) Kinetic Creation Global Investments Limited, an investment holding company wholly-owned by CCBI Investments Limited
“Pacific Climax”	Pacific Climax Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company
“PRC”	the People’s Republic of China
“Private Placing Memorandum”	the private placing memorandum together with its appendix and ancillary document(s) setting out the terms of the operation of the Cayman Fund
“Project Entities”	City Turbo and Xi’an Huayi Land
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of not more than 49% interest of the Cayman Fund
“Xi’an Huayi Land”	Xi’an Huayi Land Co., Ltd.* (西安華宜置地有限公司), a company established in the PRC
“%”	per cent.

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

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

Hong Kong, 30 December 2022

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