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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)

CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAPS

CONTINUING CONNECTED TRANSACTIONS

The Board hereby announces that, on 15 August 2017 (after trading hours), Xi'an OCT Land, a wholly-owned subsidiary of the Company, entered into the Xi'an Tenancy II with OCT Xi'an Industry for a term of 14 months commencing from 1 September 2017 and ending on 31 October 2018.

Since Xi'an Tenancy I and Xi'an Tenancy II are (i) similar in nature; (ii) have the same counterparty, i.e. OCT Xi'an Industry; and (iii) entered into within a 12-month period; the transactions contemplated under Xi'an Tenancy I and Xi'an Tenancy II would have to be aggregated pursuant to Rule 14A.81 of the Listing Rules. Accordingly, the original annual caps for the continuing connected transactions under Xi'an Tenancy I as set out in the Announcement would not be sufficient and need to be revised.

LISTING RULES IMPLICATIONS

As at the date of this announcement, OCT Ltd. indirectly owns 100% equity interest in Pacific Climax Limited, the controlling Shareholder of our Company. Meanwhile, OCT Xi'an Industry is an indirect non wholly-owned subsidiary of OCT Ltd.. Accordingly, OCT Xi'an Industry is a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules, and the transactions contemplated under Xi'an Tenancy II constitutes continuing connected transactions of the Company.

As the applicable percentage ratio in respect of the aggregated annual caps for Xi'an Tenancy I and Xi'an Tenancy II exceeds 0.1% but is less than 5%, the transactions contemplated under Xi'an Tenancy I and Xi'an Tenancy II and the aggregated annual caps are subject to the reporting, announcement and annual review requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Board hereby announces that, on 15 August 2017 (after trading hours), Xi'an OCT Land, a wholly-owned subsidiary of the Company, entered into Xi'an Tenancy II with OCT Xi'an Industry. The principal terms of Xi'an Tenancy II are set out as follows:

Date: 15 August 2017

Parties: Xi'an OCT Land, a wholly owned subsidiary of the Company; and OCT Xi'an Industry

Duration: a term of 14 months with effect from 1 September 2017 and ending on 31 October 2018

Description of the transaction:

Pursuant to Xi'an Tenancy II, Xi'an OCT Land agreed to lease a property located in Nanguanzheng Street, Xi'an, the PRC to OCT Xi'an Industry as an office premise with a total gross floor area of approximately 332.25 sq.m.. Pursuant to the Xi'an Tenancy II, OCT Xi'an Industry has to make the due payment of rental to Xi'an OCT Land quarterly in the following manner:

- (i) As the period from 1 September 2017 to 30 November 2017 is a discount period for renovation, the total rental during such period is RMB38,541;
- (ii) During the period from 1 December 2017 to 31 October 2018, the monthly rental of the leased premises is RMB38,541.

Annual caps of Xi'an Tenancy II and the basis

The annual amount to be paid by OCT Xi'an Industry to Xi'an OCT Land under Xi'an Tenancy II for the two years ended 31 December 2017 and 2018 will not exceed the annual limits of RMB77,082 and RMB385,410, respectively.

The annual caps refers to the agreed annual rental to be paid by OCT Xi'an Industry to Xi'an OCT Land under Xi'an Tenancy II. The rental payable under the Xi'an Tenancy II is determined with reference to the market rent of comparable properties in the area, which is similar to the rent leased to independent third parties and on similar commercial terms.

Aggregation of the annual caps:

Reference is made to the announcement of the Company dated 28 December 2017 in relation to, among others, Xi'an Tenancy I entered into between Xi'an OCT Land and OCT Xi'an Industry on 28 December 2016 for a term of three years commencing from 1 January 2017 and ending on 31 December 2019.

Since Xi'an Tenancy I and Xi'an Tenancy II are (i) similar in nature; (ii) have the same counterparty, i.e. OCT Xi'an Industry; and (iii) entered into within a 12-month period; the transactions contemplated under Xi'an Tenancy I and Xi'an Tenancy II would have to be aggregated pursuant to Rule 14A.81 of the Listing Rules. Accordingly, the original annual caps for the continuing connected transactions under Xi'an Tenancy I as set out in the announcement dated 28 December 2017 would not be sufficient and need to be revised.

Based on the terms of Xi'an Tenancy I and Xi'an Tenancy II, the aggregated annual caps for the continuing connected transactions in relation the lease of property between Xi'an OCT Land and OCT Xi'an Industry are as follows:

	For the year ended 31 December		
	2017 (RMB)	2018 (RMB)	2019 (RMB)
Xi'an Tenancy I	1,765,980	3,531,960	3,531,960
Xi'an Tenancy II	77,082	385,410	—
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Total	<u>1,843,062</u>	<u>3,917,370</u>	<u>3,531,960</u>

REASONS FOR AND BENEFITS OF THE TRANSACTION

Xi'an OCT Land is mainly engaged in, among others, rental and management of office premises. The Directors consider that Xi'an Tenancy II was entered into between the Group and OCT Xi'an Industry at arm's length's negotiation and in the ordinary and usual course of business, on normal commercial terms.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of Xi'an Tenancy II and the aggregated annual caps are fair and reasonable so far as the Shareholders are concerned and the transactions under Xi'an Tenancy II are in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP, XI'AN OCT LAND AND OCT XI'AN INDUSTRY

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

Xi'an OCT Land is a wholly-owned subsidiary of the Company is mainly engaged in rental and management of office premises.

OCT Xi'an Industry is an indirect non-wholly owned subsidiary of OCT Ltd., which indirectly holds 100% equity interest in Pacific Climax Limited, the controlling Shareholder of our Company. OCT Xi'an Industry is principally engaged in the development and operation of property projects.

LISTING RULES IMPLICATIONS

As at the date of this announcement, OCT Ltd. indirectly owns 100% equity interest in Pacific Climax Limited, the controlling Shareholder of our Company. Meanwhile, OCT Xi'an Industry is an indirect non wholly-owned subsidiary of OCT Ltd.. Accordingly, OCT Xi'an Industry is a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules, and the transactions contemplated under Xi'an Tenancy II constitutes continuing connected transactions of the Company.

As the applicable percentage ratio in respect of the aggregated annual caps for Xi'an Tenancy I and Xi'an Tenancy II exceeds 0.1% but is less than 5%, the transactions contemplated under Xi'an Tenancy I and Xi'an Tenancy II and the aggregated annual caps are subject to the reporting, announcement and annual review requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

No Director is materially interested in Xi'an Tenancy II and required to abstain from voting on the Board resolutions in relation to Xi'an Tenancy II.

DEFINITIONS

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

“Board”	the board of Directors of the Company;
“Company”	Overseas Chinese Town (Asia) Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 03366);
“connected person”	has the meaning ascribed to in the Listing Rules
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“OCT Ltd.”	Shenzhen Overseas Chinese Town Company Limited (深圳華僑城股份有限公司), a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange;
“OCT Xi'an Industry”	Overseas Chinese Town (Xi'an) Industry Company Limited (西安華僑城實業有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of OCT Ltd.;
“percentage ratio(s)”	has the meaning ascribed to in the Listing Rules;
“PRC”	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	Share(s) of the Company;

“Shareholders”	holders of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Xi’an OCT Land”	Xi’an OCT Land Co., Ltd. (西安華僑城置地有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Xi’an Tenancy I”	the property tenancy agreement dated 28 December 2016 entered into between Xi’an OCT Land and OCT Xi’an Industry for a term of three years with effect from 1 January 2017 and ending on 31 December 2019, details of which are disclosed in the announcement of the Company dated 28 December 2016;
“Xi’an Tenancy II”	the property tenancy agreement dated 15 August 2017 entered into between Xi’an OCT Land and OCT Xi’an Industry for a term of 14 months with effect from 1 September 2017 and ending on 31 October 2018; and
“%”	per cent.

Unless otherwise specified in this announcement, the exchange rate of HK\$1.00 = RMB0.86 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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

By order of the Board of
Overseas Chinese Town (Asia) Holdings Limited
He Haibin
Chairman

Hong Kong, 15 August 2017

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