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PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 26 January 2022, the Company entered into the Agreement with the Placing Agent and the Vendor in respect of the Placing and the Subscription.

The Placing Agent has conditionally agreed to place, on a best effort basis, a total of 117,700,000 existing Shares at the Placing Price of HK\$3.40 per Share.

Pursuant to the Agreement, the Vendor has conditionally agreed to subscribe at the Placing Price for the same number of new Shares as the total number of Placing Shares that have been placed by the Placing Agent.

Completion of the Subscription is conditional upon the fulfilment of the following conditions:

- (1) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares; and
- (2) the completion of the Placing having occurred pursuant to the terms of the Agreement.

The gross proceeds of the Subscription, and the net proceeds to be received by the Company from the Subscription after deducting related fees and expenses, are estimated to be approximately HK\$400.2 million and HK\$393.6 million respectively.

As the Placing and Subscription may or may not proceed to completion, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

On 26 January 2022, the Company entered into the Agreement with the Placing Agent and the Vendor. The principal terms of the Agreement are set out below.

THE AGREEMENT

Date

26 January 2022

Parties

- (1) the Company;
- (2) the Vendor; and
- (3) the Placing Agent.

As at the date of this announcement, the Vendor holds 1,244,877,716 Shares, representing approximately 62.74% of the existing issued share capital of the Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent is independent of and not connected with the Company or any of its connected persons.

PLACING

Number of Placing Shares

The Placing Agent has conditionally agreed to place, on a best effort basis, a total of 117,700,000 existing Shares, representing approximately 5.93% of the issued share capital of the Company as at the date of this announcement and approximately 5.60% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the total number of Shares in issue from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Placing Price

The Placing Price is HK\$3.40 per Share and represents:

- i. a discount of approximately 17.07% to the closing price of HK\$4.10 per Share as quoted on the Stock Exchange on 26 January 2022, being the date of the Agreement;
- ii. a discount of approximately 19.92% to the average closing price of HK\$4.246 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 25 January 2022 (being the last full trading day immediately prior to the date of the Agreement);
- iii. a discount of approximately 13.66% to the average closing price of HK\$3.938 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 25 January 2022 (being the last full trading day immediately prior to the date of the Agreement); and
- iv. a discount of approximately 11.16% to the average closing price of HK\$3.827 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including 25 January 2022 (being the last full trading day immediately prior to the date of the Agreement).

The Placing Price was determined after arm's length negotiations between the Company, the Vendor and the Placing Agent with reference to the prevailing market price of the Shares.

The Directors (including the independent non-executive Directors) consider the Placing Price to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will be sold free and clear of all pledges, liens, charges and encumbrances, equities, security interests or other claims (including any non-disposal undertakings or similar obligations) binding upon the Vendor and together with the same rights as, and rank *pari passu* with, all of the other Shares of the same class, including the right to receive all dividends declared, made or paid for which a record date occurs on or after the date of the Agreement.

Placees

It is expected that the Placing Shares will be placed by the Placing Agent to a total of not less than six independent professional, institutional and/or individual investors. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The placees procured or to be procured by the Placing Agent are expected to be independent of and not connected with the Company or any of its connected persons.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfilment of the following conditions:

- (i) before completion of the Placing, there shall not have occurred:
 - (a) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole; or
 - (b) any suspension or limitation of trading (i) in any of the Company's securities by the Stock Exchange, or (ii) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
 - (c) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the Cayman Islands, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the European Economic Area (EEA) (together, the "**Relevant Jurisdictions**") of a national emergency or war or other calamity or crisis; or
 - (d) any material disruption in commercial banking or securities settlement or clearance services in any of the Relevant Jurisdictions and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any of the Relevant Jurisdictions; or
 - (e) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any of the Relevant Jurisdictions or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Placing Agent, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (ii) the representations and warranties made by any of the Company and the Vendor pursuant to the Agreement being true and accurate and not misleading as of the date of the Agreement and the Closing Date;
- (iii) each of the Company and the Vendor having complied with all of the agreements and undertakings and satisfied all of the conditions on their respective part to be complied with or satisfied under the Agreement on or before the Closing Date;
- (iv) the Placing Agent having received on the Closing Date an opinion of the Cayman Islands counsel for the Company, relating to such matters as the Placing Agent shall reasonably request, such opinion to be in the form and substance reasonably satisfactory to the Placing Agent;
- (v) the Placing Agent having received on the Closing Date an opinion of the British Virgin Islands counsel for the Vendor, relating to such matters as the Placing Agent shall reasonably request, such opinion to be in the form and substance reasonably satisfactory to the Placing Agent; and
- (vi) the Placing Agent having received on the Closing Date an opinion of the U.S. counsel to the Placing Agent, to the effect that the offer and sale of the Placing Shares by the Placing Agent as set forth in the Agreement are not required to be registered under the Securities Act, and such other matters as the Placing Agent shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Placing Agent.

The Placing Agent in its sole discretion may waive any of the foregoing conditions, in whole or in part and with or without conditions, by notice to the Company and the Vendor.

The Placing Agent may (i) in the event that any of the foregoing conditions has not been satisfied, in its sole discretion elect to terminate the Agreement forthwith; or (ii) if the Vendor delivered some but not all of the Placing Shares on the Closing Date, effect the sale with respect of such Placing Shares as have been delivered, but such partial sale shall not relieve the Vendor from liability for its default with respect to the Placing Shares not delivered.

Completion of the Placing

The parties expect that the Placing will be completed on the Closing Date.

Lock-up Undertaking by the Company

Except for (i) the Subscription Shares or the issuance of options or Shares pursuant to the terms of the existing share option scheme adopted by the Company on 19 November 2013, or (ii) the issue of bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, the Company undertakes to the Placing Agent, and the Vendor undertakes to the Placing Agent to procure, that for a period of 90 days after the Closing Date, the Company will not, without the prior written consent of the Placing Agent:

- (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise (and for such purpose including any cash settled equity-linked instruments (whether cash settlement is at the option of the issuer of the instrument, on a mandatory basis or otherwise) where the redemption, exercise or exchange price (howsoever described) is linked to or references the price of the Shares)), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares,

whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or

- (iii) publicly announce an intention to enter into or effect any such transaction described in (i) or (ii) above.

Lock-up Undertaking by the Vendor

Except for the sale of the Placing Shares pursuant to the Agreement, the Vendor undertakes to the Placing Agent, that for a period of 90 days after the Closing Date, it will not and will procure that none of its nominees, any person controlled by it, any trust associated with it, any person acting on its or their behalf or any controlling shareholders (as defined under the Listing Rules) of the Company will, without the prior written consent of the Placing Agent:

- (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Vendor, any controlling shareholder (as defined under the Listing Rules) of the Company or any Affiliate of the Vendor), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company,

(ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares,

whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or

(iii) publicly announce an intention to enter into or effect any such transaction described in (i) or (ii) above.

SUBSCRIPTION

Number of Subscription Shares

The Vendor has conditionally agreed to subscribe for the total number of Placing Shares actually sold at the Placing.

The 117,700,000 new Shares represent approximately 5.93% of the issued share capital of the Company as at the date of this announcement and approximately 5.60% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the total number of Shares in issue from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Subscription Price

The Subscription Price is equivalent to the Placing Price of HK\$3.40 per Share. The Subscription Shares have a nominal value of HK\$11,770,000, and a market value of HK\$482,570,000 based on the closing price of HK\$4.10 on the date of the Agreement. The net price of the Subscription is HK\$3.34 per Share.

The Subscription Price, being equal to the Placing Price, was determined after arm's length negotiations between the Company and the Vendor with reference to the Placing Price.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the interest of the Company and the Shareholders as a whole.

General mandate to issue the Subscription Shares

The issue of the Subscription Shares will not be subject to Shareholders' approval and the Subscription Shares will be issued under the General Mandate. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 387,763,428 Shares, representing 20% of the total Shares in issue as at the date of the AGM.

Since the date of the AGM and up to the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends or distributions declared, made or paid on or after the date of completion of the Subscription.

Conditions of the Subscription

Completion of the Subscription is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of the Subscription Shares; and
- (ii) completion of the Placing having occurred pursuant to the terms of the Agreement.

None of the conditions stated above can be waived. The Company shall, as soon as is reasonably practicable, apply to the Stock Exchange for the granting of listing of, and permission to deal in, the Subscription Shares after the signing of the Agreement.

In the event that the conditions are not fulfilled within 14 days from the date of the Agreement (or such later date as may be agreed between the Vendor and the Company and in compliance with the Listing Rules), the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise.

Completion of the Subscription

Completion of the Subscription will take place on the second Business Day after the date upon fulfilment of the last of the above conditions, provided that it shall take place on a date no later than a date falling 14 days from the date of the Agreement or at such other time and/or date as the Company and the Vendor may agree in writing and in compliance with the Listing Rules.

As the Vendor (a controlling Shareholder) is a connected person of the Company and the Subscription constitutes a connected transaction of the Company exempt under Rule 14A.92(4) of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Agreement, the relevant provisions of the Listing Rules in relation to connected transaction will apply (including the independent Shareholders' approval requirement) to the Subscription, unless otherwise waived by the Stock Exchange. Further announcement will be made by the Company if this occurs.

Application for listing

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming there is no change to the issued share capital of the Company from the date of this announcement to the date of completion of the Placing and the Subscription, the shareholding structure of the Company before and after completion of the Placing and the Subscription is summarised as follows:

	Before completion of Placing and completion of Subscription		After completion of Placing but before completion of Subscription (assuming the Placing Shares are placed in full)		After completion of Placing and Subscription (assuming the Placing Shares are placed in full)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Shum and his associates (<i>Note 1</i>)	1,244,877,716	62.74	1,127,177,716	56.81	1,244,877,716	59.23
Other Shareholders	739,238,323	37.26	739,238,323	37.26	739,238,323	35.17
Placees	–	–	117,700,000	5.93	117,700,000	5.60
Total issued share capital	1,984,116,039	100	1,984,116,039	100	2,101,816,039	100

Notes:

- (1) 1,244,877,716 Shares were held by the Vendor, which is wholly owned by Super Reach Ventures Limited, which is in turn 60% and 40% owned by Renowned Brand Investments Limited (“**Renowned Brand**”) and East Profit Management Limited (“**East Profit**”) respectively. Renowned Brand is wholly owned by Mr. Shum, an executive director and chairman of the Company. East Profit is wholly owned by the spouse of Mr. Shum, Ms. Li Yiping. Mr. Shum is thus deemed to be interested in 1,244,877,716 Shares held by the Vendor.
- (2) The percentage figures included in the shareholding structure have been subject to rounding adjustment.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it, has continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction.

As the Vendor, together with parties acting in concert with it has continuously held more than 50% of the voting rights of the Company for more than 12 months immediately preceding the date of the Agreement, a waiver under Rule 26 of the Takeovers Code is not required for the Placing and the Subscription.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any equity fund raising activity in the past twelve-month period immediately preceding the date of this announcement.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Company is one of the leading property developers in the PRC, focusing on the development of mid-market to high-end residential properties. The Company's business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale, (ii) urban redevelopment, i.e., the redevelopment of old towns, old factories and old villages, and (iii) property leasing, i.e., the development, leasing and subleasing of commercial properties owned by it or third parties.

The Directors consider that the Placing and the Subscription represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Placing and the Subscription would strengthen the financial position of the Group and provide working capital to the Group.

The Directors consider that the terms of the Agreement (including the Subscription Price and the Placing Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE SUBSCRIPTION

The gross proceeds of the Subscription, and the net proceeds to be received by the Company from the Subscription after deducting related fees and expenses, are estimated to be approximately HK\$400.2 million and HK\$393.6 million respectively. The Company intends to apply such net proceeds as to (i) approximately 50% for debt repayment; and (ii) approximately 50% for general corporate purposes.

As the Placing and Subscription may or may not proceed to completion, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed under the Takeovers Code;
“Affiliates”	has the meaning specified in Rule 501(b) of Regulation D under the Securities Act;
“AGM”	the annual general meeting of the Company held on 21 May 2021;
“Agreement”	the agreement dated 26 January 2022 entered into between the Company, the Vendor and the Placing Agent in relation to the Placing and the Subscription;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;

“Board”	board of Directors;
“Business Day”	any day (excluding a Saturday or Sunday) on which commercial banks are generally open for business in Hong Kong;
“Closing Date”	4 February 2022 or at such other time and/or date as the Vendor and the Placing Agent agree;
“Company”	Times China Holdings Limited (時代中國控股有限公司), 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 (Stock Code: 1233);
“connected person(s)”	has the meaning as ascribed under the Listing Rules;
“Directors”	the directors of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders to issue a maximum of 387,763,428 Shares pursuant to an ordinary resolution passed at the AGM;
“Group”	the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Shum”	Mr. Shum Chiu Hung, an executive Director and the chairman of the Board;
“Placing”	the placing of the Placing Shares by the Placing Agent to places at the Placing Price pursuant to the Agreement;
“Placing Agent”	UBS AG Hong Kong Branch;
“Placing Price”	HK\$3.40 per Placing Share;
“Placing Shares”	117,700,000 existing Shares to be placed by the Placing Agent pursuant to the Placing;
“PRC”	the People’s Republic of China;
“Securities Act”	the U.S. Securities Act, as amended;

“Shareholder(s)”	holder(s) of the Shares;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Agreement;
“Subscription Price”	HK\$3.40 per Subscription Share;
“Subscription Shares”	117,700,000 Shares to be subscribed by the Vendor pursuant to the Subscription;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buybacks;
“U.S.” or “United States”	the United States of America;
“US\$”	United States dollar(s), the lawful currency of the United States;
“Vendor”	Asiaciti Enterprises Ltd. (豐亞企業有限公司), a company incorporated in the British Virgin Islands, the seller of the Placing Shares; and
“%”	per cent

By Order of the Board
Times China Holdings Limited
Li Qiang
Executive Director

Hong Kong, 27 January 2022

As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui and Mr. Wong Wai Man.