

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

**EXEMPTED CONNECTED TRANSACTION
DISPOSAL OF
GUANGZHOU TIMES RONGXIN MICRO-CREDIT CO., LTD.***

THE DISPOSAL

On 9 April 2020, the Vendors, each of which is a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendors agreed to dispose of, and the Purchaser agreed to acquire, the Interest at the Consideration of RMB142,000,000 (equivalent to approximately HK\$156,059,390).

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and its results will be deconsolidated from the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is a wholly-owned subsidiary of Times Neighborhood, and Times Neighborhood is owned as to approximately 50.58% by Asiaciti Enterprises. Asiaciti Enterprises is a controlling shareholder of the Company and hence a connected person of the Company. Times Neighborhood and the Purchaser are associates of a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the Purchaser is a connected person of the Company.

As certain of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 0.1% but all of them are less than 5%, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules which is subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE DISPOSAL

On 9 April 2020, the Vendors, each of which is a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser.

The principal terms of the Agreement are set out below.

Assets to be disposed of

The Vendors agreed to dispose of, and the Purchaser agreed to acquire, the Interest.

As at the date of the Agreement, each of Vendor A, Vendor B, Vendor C, Vendor D and Vendor E holds 5%, 10%, 15%, 20%, and 20% of the equity interest in the Target Company, respectively. Times Neighborhood indirectly holds 30% of the equity interest in the Target Company.

Consideration

The Consideration is RMB142,000,000 (equivalent to approximately HK\$156,059,390). The Consideration was determined based on the arm's length negotiation between the Purchaser and the Vendors with reference to (i) each of the audited net asset value of the Target Company and the Interest as at 31 December 2019 in the amount of approximately RMB203,065,330 and approximately RMB142,145,731, respectively; (ii) the valuation amount of RMB141,680,000 in respect of the Interest as at 31 December 2019 conducted by an independent valuer (CHFT Advisory and Appraisal Ltd.) based on market approach; and (iii) the reasons and benefits as set out in the section headed "**REASONS FOR AND BENEFITS OF THE DISPOSAL**" in this announcement.

The Consideration shall be payable by the Purchaser to the Vendors in cash in four tranches:

- (i) within 30 days after the date of the Agreement, an amount of RMB14,200,000 (equivalent to approximately HK\$15,605,939) (the "**First Payment**") shall be payable to the Vendors;
- (ii) within 30 days after the approval of the local Financial Bureau in the PRC (the "**Approval**"), an amount of RMB14,200,000 (equivalent to approximately HK\$15,605,939) shall be payable to the Vendors;
- (iii) within 30 days after completion of the Registration, an amount of RMB42,600,000 (equivalent to approximately HK\$46,817,817) shall be payable to the Vendors; and
- (iv) within 30 days after the date of completion of transfer of relevant deliverables in relation to the Interest, an amount of RMB71,000,000 (equivalent to approximately HK\$78,029,695) shall be payable to the Vendors.

Conditions precedent

Completion is conditional upon each of the following conditions being satisfied:

- (i) the independent shareholders of Times Neighborhood having approved the transactions contemplated under the Agreement in a general meeting of Times Neighborhood;
- (ii) all necessary internal approval having been obtained by the Company and Times Neighborhood in respect of the transactions contemplated under the Agreement; and
- (iii) the Approval having been obtained by the Target Company.

Completion

Subject to fulfillment of the conditions precedent, the Purchaser and the Vendors shall effect the Registration within 90 days after (and excluding) the day on which the last of the conditions precedent has been fulfilled. If the Approval is not obtained or the Registration is not completed, the Vendors shall return the relevant payments to the Purchaser. Upon completion of the Registration, the Target Company will cease to be a subsidiary of the Company and its results will be deconsolidated from the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Given that the money lending business is a non-core business of the Group and is expected to have a further diminished role to the Group following completion of the spin-off of Times Neighborhood, the Board considers the divestment of the Target Company is beneficial to the Group to focus its resources to its principal business of property development. The Disposal will generate more cash flow to the Group for the repayment of the existing financial indebtedness of the Group. Based on the factors as disclosed above, the Directors (excluding the Interested Directors) are of the view that the terms of the Agreement are normal commercial terms, and the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of Mr. Shum (through Asiaciti Enterprises), Mr. Guan, Mr. Bai, Mr. Li and Mr. Shum Siu Hung holds approximately 50.58%, 2.17%, 2.12%, 0.14% and 0.06% in the issued share capital of Times Neighborhood, respectively. The Interested Directors have abstained from voting on the relevant Board resolutions for approving the Disposal.

INFORMATION ON THE TARGET COMPANY

The Target Company is principally engaged in micro-credit business to medium-, small- and micro-sized corporates or individuals in Guangzhou City, Guangdong province of the PRC.

According to the financial statements of the Target Company which are prepared on a basis consistent with PRC GAAP accounting standards, the audited net asset value of the Target Company as at the two years ended 31 December 2019 was approximately RMB222,253,011 and RMB203,065,330, respectively. Set out below are the financial information of the Target Company for the two years ended 31 December 2019:

	For the year ended 31 December	
	2018	2019
	audited	audited
	<i>RMB' 000</i>	<i>RMB' 000</i>
Net profit before tax	13,383	11,394
Net profit after tax	9,995	8,400

The Vendors and a wholly-owned subsidiary of Times Neighborhood established the Target Company in the year 2015 at the total original capital contribution of RMB200,000,000.

Subject to final audit, it is expected that the Group will not realise any material gain or loss upon completion of the Disposal, which is calculated with reference to gross Consideration less (i) net asset value of the Target Company; and (ii) the related transaction costs, taxes and expenses of the Disposal.

USE OF PROCEEDS

The gross proceeds from the Disposal will be RMB142,000,000 (equivalent to approximately HK\$156,059,390), which will be used for the repayment of the existing financial indebtedness of the Group.

INFORMATION ON THE PARTIES

The Purchaser

The Purchaser is an indirect wholly-owned subsidiary of Times Neighborhood, and its principal activity is investment holding.

Times Neighborhood

Times Neighborhood is principally engaged in the business of provision of property management services, value-added services to non-property owners, community value-added services and other professional services in PRC.

The Vendors

Vendor A is principally engaged in property development.

Vendor B is principally engaged in property development.

Vendor C is principally engaged in property management.

Vendor D is principally engaged in property management.

Vendor E is principally engaged in property development.

Each of the Vendors is a wholly-owned subsidiary of the Company.

The Company

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 property development, i.e., the development of residential and commercial properties for sale, and property leasing, i.e., the development, leasing and subleasing of commercial properties owned by it or third parties.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is a wholly-owned subsidiary of Times Neighborhood, and Times Neighborhood is owned as to approximately 50.58% by Asiatic Enterprises. Asiatic Enterprises is a controlling shareholder of the Company and hence a connected person of the Company. Times Neighborhood and the Purchaser are associates of a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the Purchaser is a connected person of the Company.

As certain of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 0.1% but all of them are less than 5%, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules which is subject to the reporting and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Completion of the Agreement is subject to the fulfillment of the conditions precedent, and the Disposal may or may not proceed. The Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Agreement”	the agreement dated 9 April 2020 entered into between the Purchaser and the Vendors in relation to the Disposal
“Asiaciti Enterprises”	Asiaciti Enterprises Ltd., a company incorporated in the British Virgin Islands with limited liability and controlled by Mr. Shum
“associate”	has the meanings ascribed to it under the Listing Rules
“Board”	the board of the Company
“Company”	Times China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1233)
“connected person”	has the meanings ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal
“controlling shareholder”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Interest by the Vendors to the Purchaser
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interest”	70% of the equity interest in the Target Company
“Interested Directors”	Mr. Shum, Mr. Guan, Mr. Bai, Mr. Li and Mr. Shum Siu Hung
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Bai”	Mr. Bai Xihong, an executive Director

“Mr. Guan”	Mr. Guan Jianhui, an executive Director
“Mr. Li”	Mr. Li Qiang, an executive Director
“Mr. Shum”	Mr. Shum Chiu Hung, an executive Director, and the ultimate controlling shareholder of the Company and Times Neighborhood
“Mr. Shum Siu Hung”	Mr. Shum Siu Hung, an executive Director
“PRC”	the People’s Republic of China
“PRC GAAP”	the generally accepted accounting standards in the PRC
“Purchaser”	Guangzhou Times Neighborhood Corporate Governance Co., Ltd.* (廣州市時代鄰里企業管理有限公司), a company established in the PRC with limited liability
“Registration”	the industrial and commercial registration of the Interest in the name of the Purchaser
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangzhou Times Rongxin Micro-credit Co., Ltd.* (廣州市時代融信小額貸款股份有限公司), a company established under the PRC with limited liability
“Times Neighborhood”	Times Neighborhood Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 9928)
“Vendor A”	Zhongshan Shidai Kaixuan Real Estate Co., Ltd.* (中山市時代凱旋置業有限公司), a company established under the PRC with limited liability
“Vendor B”	Guangzhou Fujie Investment Co., Ltd.* (廣州市富傑投資有限公司), a company established under the PRC with limited liability

“Vendor C”	Foshan Zhide Zhengxing Property Management Co., Ltd.* (佛山市至德正興物業管理有限公司), a company established under the PRC with limited liability
“Vendor D”	Guangzhou Zhide Property Management Co., Ltd.* (廣州市至德物業管理有限公司), a company established under the PRC with limited liability
“Vendor E”	Zhuhai Shidai Fengzhuo Investment Co., Ltd.* (珠海市時代豐卓投資有限公司), a company established under the PRC with limited liability
“Vendors”	Vendor A, Vendor B, Vendor C, Vendor D and Vendor E
“%”	per cent.

Note: For the purpose of illustration only, RMB is translated to HK\$ at the illustrative rate of RMB0.90991 = HK\$1.00.

** For identification purposes only*

By Order of the Board
Times China Holdings Limited
Niu Jimin
Executive Director

Hong Kong, 9 April 2020

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.