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**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)**

## **ISSUANCE OF US\$350,000,000 6.2% SENIOR NOTES DUE 2026**

Reference is made to the Announcement.

On 15 September 2020, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with UBS, Credit Suisse, Deutsche Bank, CLSA, China CITIC Bank International, China Industrial Securities International, CMBC Capital, Guotai Junan International, Haitong International, HSBC and The Bank of East Asia, Limited, in connection with the Notes Issue.

The gross proceeds of the Notes Issue, before deducting the underwriting discounts and commissions and other estimated expenses payable in connection with the Notes Issue, will amount to US\$350,000,000.

The Company intends to use the net proceeds of the Notes Issue to refinance certain of its existing indebtedness. The Company may adjust its plans in response to changing market conditions and thus, reallocate the use of the net proceeds.

**MiFID II professionals/ECPs-only/No PRIIPs KID** – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA or UK.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the Announcement. The Board is pleased to announce that on 15 September 2020, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with UBS, Credit Suisse, Deutsche Bank, CLSA, China CITIC Bank International, China Industrial Securities International, CMBC Capital, Guotai Junan International, Haitong International, HSBC and The Bank of East Asia, Limited, in connection with the Notes Issue.

## **THE PURCHASE AGREEMENT**

Date: 15 September 2020

### **Parties to the Purchase Agreement**

- (a) the Company;
- (b) the Subsidiary Guarantors;
- (c) UBS;
- (d) Credit Suisse;
- (e) Deutsche Bank;
- (f) CLSA;
- (g) China CITIC Bank International;
- (h) China Industrial Securities International;
- (i) CMBC Capital;
- (j) Guotai Junan International;

- (k) Haitong International;
- (l) HSBC; and
- (m) The Bank of East Asia, Limited.

UBS, Credit Suisse, Deutsche Bank, CLSA, China CITIC Bank International, China Industrial Securities International, CMBC Capital, Guotai Junan International, Haitong International, HSBC and The Bank of East Asia, Limited are the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of UBS, Credit Suisse, Deutsche Bank, CLSA, China CITIC Bank International, China Industrial Securities International, CMBC Capital, Guotai Junan International, Haitong International, HSBC and The Bank of East Asia, Limited is independent of the Company and its connected persons.

The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act. The Notes and the Subsidiary Guarantees will only be offered and sold by the initial purchasers of the Notes outside the United States in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes and the Subsidiary Guarantees will be offered to the public in Hong Kong.

**MiFID II professionals/ECPs-only/No PRIIPs KID** – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA or UK.

### **Principal terms of the Notes**

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the Subsidiary Guarantees, and the JV Subsidiary Guarantees, if any.

### **Notes Offered**

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$350,000,000. The Notes will mature on 22 March 2026, unless earlier redeemed in accordance with the terms thereof.

### ***Offering Price***

The offering price of the Notes will be 100% of the principal amount of the Notes.

### ***Interest and Interest Payment Dates***

The Notes will bear interest from and including 22 September 2020 at a rate of 6.2% per annum, payable semi-annually in arrears on 22 March and 22 September of each year, commencing on 22 March 2021.

### ***Ranking of the Notes***

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with the certain existing pari passu secured indebtedness and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations; (5) effectively subordinated to the other secured obligations (if any, other than permitted pari passu secured indebtedness) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the collateral securing the Notes); and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

### ***Events of default***

The events of default under the Notes include, among others: (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants under the Indenture relating to consolidation, merger and sale of assets, the failure by the Company to make or consummate an offer to purchase in the manner described in the Indenture; (d) default by the Company or certain of its subsidiaries in the performance of or breaches of any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the Notes; (e) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding principal amount of US\$20.0 million or more in the aggregate for such indebtedness (i) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or (ii) the failure to make a principal payment when due; (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$20.0 million (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; (g) an involuntary case or other proceeding is commenced against the Company or any of its significant subsidiaries (or any group of certain of the Company's subsidiaries

that together would constitute a significant subsidiary) under bankruptcy, insolvency or similar law, which remains undismissed and unstayed for a period of 60 consecutive days; (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or any of its significant subsidiaries (or any group of subsidiaries that together would constitute a significant subsidiary); or consent to the entry of an order for relief in an involuntary case under any such law; or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any of the Company's significant subsidiaries (or any group of subsidiaries that together would constitute a significant subsidiary) or for all or substantially all of the property and assets of the Company or any of its significant subsidiaries (or any group of subsidiaries that together would constitute a significant subsidiary); or effects any general assignment for the benefit of creditors; (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denying or disaffirming its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect; (j) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the Indenture, the Intercreditor Agreement and the security documents, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral or which adversely affects the condition or value of such collateral, taken as a whole, in any material respect; or (k) the Company or any Subsidiary Guarantor Pledgor denying or disaffirming its obligations under the Intercreditor Agreement or any security document or, other than in accordance with the Indenture, the Intercreditor Agreement and the security documents, any security document ceasing to be or is not in full force and effect, or the collateral agent ceasing to have a first priority security interest in the collateral.

If an event of default (other than the default specified in clause (g) and (h) above) occurs and is continuing under the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders) may, and the trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in (g) and (h) above occurs with respect to the Company or any of its significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary), the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

## **Covenants**

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;

- (c) issue or sell capital stock of certain of its subsidiaries;
- (d) guarantee indebtedness of certain of its subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (i) enter into transactions with shareholders or affiliates; and
- (j) effect a consolidation or merger.

***Optional Redemption of the Notes***

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on after 22 September 2023, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 22 September of the years indicated below:

<b>Period</b>	<b>Redemption Price</b>
2023	102%
2024	101%

- (2) At any time prior to 22 September 2023, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to 22 September 2023, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 106.2% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.



The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

### **Reasons for the Notes Issue**

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 and the provision of construction services, (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 gross proceeds of the Notes Issue, before deducting the underwriting discounts and commissions and other estimated expenses payable in connection with the Notes Issue, will amount to US\$350,000,000.

The Company intends to use the net proceeds of the Notes Issue to refinance certain of its existing indebtedness. The Company may adjust its plans in response to changing market conditions and thus, reallocate the use of the net proceeds.

### **Listing and rating**

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Notes are expected to be rated "B1" by Moody's Investors Service, Inc., "B+" by Standard and Poor's Ratings Services and "BB-" by Fitch Ratings.

### **THE CONCURRENT OFFER TO PURCHASE**

The Maximum Acceptance Amount will be US\$350,000,000, although the Company reserves the right, in its sole discretion, to accept significantly more than or significantly less than the Maximum Acceptance Amount, or to accept none of such 2021 Notes, for purchase pursuant to the Concurrent Offer to Purchase.

The Company will make a further announcement in respect of the results of the Concurrent Offer to Purchase in due course.

## DEFINITIONS

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

“2021 Notes”	6.25% senior notes due 2021 (ISIN: 1749435324) which were issued by the Company on 17 January 2018
“Announcement”	the announcement of the Company dated 15 September 2020
“Board”	the board of Directors
“China CITIC Bank International”	China CITIC Bank International Limited
“China Industrial Securities International”	China Industrial Securities International Brokerage Limited
“CLSA”	CLSA Limited
“CMBC Capital”	CMBC Securities Company Limited
“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
“Concurrent Offer to Purchase”	an offer to purchase for cash of the Company’s outstanding 2021 Notes
“connected person(s)”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch
“Directors”	the directors of the Company
“EEA”	the European Economic Area
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Haitong International”	Haitong International Securities Company Limited



“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and Citicorp International Limited as trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date
“Intercreditor Agreement”	the agreement dated 16 July 2014 entered into by, among others, the Company, the subsidiary guarantor pledgors named therein and Citicorp International Limited, as so amended and supplemented from time to time
“JV Subsidiary Guarantee”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantor”	each subsidiary of the Company which in the future provides a JV Subsidiary Guarantee
“Maximum Acceptance Amount”	the maximum aggregate principal amount of the 2021 Notes that the Company will determine, in its sole discretion, that it will accept for purchase pursuant to the Concurrent Offer to Purchase
“MiFID II”	Markets in Financial Instruments Directive (II) (2014/65/EU)
“Notes”	the 6.2% senior notes due 2026 in the aggregate principal amount of US\$350,000,000 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement dated 15 September 2020 entered into by and among UBS, Credit Suisse, Deutsche Bank, CLSA, China CITIC Bank International, China Industrial Securities International, CMBC Capital, Guotai Junan International, Haitong International, HSBC, The Bank of East Asia, Limited, the Company, the Subsidiary Guarantors in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantors”	certain subsidiaries of the Company that on the issue date of the Notes will provide guarantees to secure the Company’s obligations under the Notes
“Subsidiary Guarantor Pledgors”	certain subsidiaries of the Company that on the issue date of the Notes will provide pledges over their stock in certain subsidiaries of the Company held by them to secure the obligations of the Company under the Indenture and the Notes and of such Subsidiary Guarantor under its guarantee provided to secure the Company’s obligations under the Notes
“UBS”	UBS AG Hong Kong Branch
“UK”	the United Kingdom
“United States”	the United States of America
“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States
“%”	per cent

By Order of the Board  
**Times China Holdings Limited**  
**Shum Chiu Hung**  
*Chairman*

Hong Kong, 16 September 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.*