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TIMES PROPERTY HOLDINGS LIMITED

時代地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

**(1) MAJOR TRANSACTION INVOLVING AN
ACQUISITION OF 75% EQUITY INTEREST
IN THE PROJECT COMPANY**

AND

**(2) POSSIBLE MAJOR TRANSACTION INVOLVING THE GRANT
OF THE PUT OPTION**

THE ACQUISITION

On 30 June 2016 (after trading hours of the Stock Exchange), the Purchaser, a wholly owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement.

LISTING RULES IMPLICATIONS

(1) Major transaction – the Acquisition

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, on a standalone basis, exceed 5%, but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

As the vendors with respect to the Acquisition and the Land B2-2 Acquisition are ultimately controlled by Ascendas-Singbridge Pte Ltd., and the two transactions were entered into within a twelve month period, the Acquisition and the Land B2-2 Acquisition would need to be aggregated in accordance with Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition when aggregated with the Land B2-2 Acquisition are more than 25% but all applicable percentage ratios are less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(2) Possible major transaction – the grant of the Put Option

The Put Option is exercisable at the discretion of the Vendor with the exercise price to be determined based on the fair market value of the Project Company at the time of exercise of the Put Option. As the monetary value of the exercise price is not known at the time of grant of the Put Option, the grant of the Put Option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules. The grant of the Put Option is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition or the Put Option; and (ii) written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at general meetings to approve the Acquisition and the Put Option.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders is materially interested in the Acquisition or the Put Option. As such, no Shareholder is required to abstain from voting if an extraordinary general meeting were to be convened to approve the Acquisition and the Put Option.

As at the date of this announcement, Asiaciti Enterprises Ltd. ("**Asiaciti**") is interested in 1,195,072,000 Shares, representing approximately 69.36% of the total number of Shares in issue. Asiaciti has no interest in the Acquisition or the Put Option. Accordingly, the Company has relied on the written approval from Asiaciti to approve the Acquisition and the Put Option and no extraordinary general meeting of the Company will be convened for the purpose of approving the Acquisition and the Put Option pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among others, further details about the Acquisition and the Put Option will be despatched to the Shareholders. As additional time is required to prepare the relevant information to be included in the circular, the Company expects that the circular will be despatched on or before 31 August 2016.

THE ACQUISITION AGREEMENT

On 30 June 2016 (after trading hours of the Stock Exchange), the Purchaser, a wholly owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner is independent of the Company and connected persons of the Company.

Subject matter

The Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, a 75% equity interest in the Project Company.

As at the date of the Acquisition Agreement, the Project Company is 100% owned by the Vendor. Upon Completion, the Project Company will be owned as to 75% by the Purchaser and as to 25% by the Vendor.

As at the date of the Acquisition Agreement, the Project Company has a registered capital of RMB516,153,515, which has been fully paid. The Project Company has obtained the land use rights of Land B2-1, which has a site area of 103,890 sq.m.

Consideration

The consideration for the Acquisition is RMB880 million, and is payable as follows:

- i. within 12 Business Days after the signing of the Acquisition Agreement, the Purchaser will pay 70% of the consideration (that is RMB616 million) less the Transaction Tax to an overseas bank account designated by the Vendor; and
- ii. within 30 Business Days after the signing of the Acquisition Agreement, the Purchaser will pay the remaining 30% of the consideration (that is RMB264 million) to the overseas bank account designated by the Vendor.

The total consideration was determined by the parties after arm's length negotiations with reference to the valuation of Land B2-1 and other factors as set out in the paragraph headed "Reasons for and Benefits of the Acquisition" below. The consideration will be funded by internal resources of the Group.

Guarantee

The Company has agreed to provide a guarantee in favour of the Vendor with respect to all the obligations of the Purchaser under the Acquisition Agreement (the “**Company Guarantee**”).

The Purchaser has agreed to procure a bank guarantee in relation to 70% of the consideration in favour of the Vendor (the “**Bank Guarantee**”) with respect to the obligations of the Purchaser under the Acquisition Agreement. The Bank Guarantee will terminate upon the payment of 70% of the consideration by the Purchaser.

Conditions precedent

Completion is conditional upon satisfaction of the following conditions:

- i. approval having been obtained from the Commerce Bureau in relation to, among others, the Acquisition Agreement and the Co-operation Agreement and a new certificate of approval having been obtained from the Commerce Bureau allowing for investment by a foreign enterprise in relation to the Project Company;
- ii. the Project Company having obtained a new business registration licence from the relevant authority;
- iii. the Purchaser having provided or having procured the provision of the Guarantee and the Bank Guarantee;
- iv. all third parties’ consents and approvals required under the applicable laws or contracts which the Vendor or the Project Company is a party to in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained.

Completion will take place on the day when all the above conditions are satisfied (provided that the Vendor has received payment of 70% of the consideration less Transaction Tax by the Purchaser). If the above conditions cannot be satisfied on or before the Long Stop Date (or such other date as both parties to the Acquisition Agreement may agree), then the Acquisition Agreement will terminate. If the Acquisition Agreement were terminated due to default by the Purchaser, then the Vendor may claim compensation in the amount of 20% of the consideration from the Purchaser.

THE CO-OPERATION AGREEMENT

On 30 June 2016 (after trading hours of the Stock Exchange), the parties to the Acquisition Agreement also entered into the Co-operation Agreement in relation to the management of the Project Company. The principal terms of the Co-operation Agreement are set out below:

Objective

The objective of the Project Company is to develop Land B2-1 and its scope of business will be the development, construction, sale, management and lease of residential and commercial properties and related facilities on Land B2-1.

Capital contribution

The registered capital of the Project Company is RMB516,153,515 which has already been fully paid up as at the date of this announcement. Upon Completion, the Project Company will be owned as to 75% by the Purchaser and as to 25% by the Vendor.

Term

The Co-operation Agreement has a term of 30 years from the date of establishment of the Project Company (the “**Term**”).

Board composition

The board of directors of the Project Company will consist of five directors, three of whom will be appointed by the Purchaser, and the remaining two directors will be appointed by the Vendor. The chairman of the board of the Project Company will be nominated by the Purchaser while the vice-chairman of the board of the Project Company will be nominated by the Vendor.

Restrictions on equity transfers

During the Term, except with the prior written consent of the Vendor, the Company will remain in control of at least 50% equity interest of the Purchaser and the Purchaser will not transfer its equity interest in the Project Company to any third party.

The Vendor will not transfer, except with the prior written consent of the Purchaser, part or all of its equity interest in the Project Company to any third party. The Purchaser will have a right of first refusal to purchase all but not part of the Vendor’s equity interest.

The Put Option

The Vendor will have the right, upon written notice to the Purchaser, to require the Purchaser to purchase all but not part of its equity interest in the Project Company on or after (i) the third anniversary of the date of the Co-operation Agreement; or (ii) the date on which contracts for the sale of at least 90% of the total saleable area of Land B2-1 have been entered into. The consideration payable by the Purchaser will be the fair market value of the Vendor’s equity interest as determined by an independent valuer appointed by both parties.

Management

The Project Company will enter into a management agreement with the Purchaser or an associated company of the Purchaser in relation to the development of Land B2-1. The monthly management fee payable by the Project Company upon commencement of the development of Land B2-1 will be RMB0.2 million and the aggregate management fee will not exceed RMB8.0 million.

Distribution of profit

Profit after taxation available for distribution (after deduction of the reserve fund (儲備基金), enterprise development fund (企業發展基金) and employee bonus and welfare fund (職工獎勵及福利基金)) will be distributed to the parties in proportion to their respective shareholdings in the Project Company.

INFORMATION ON THE VENDOR AND THE PROJECT COMPANY

The Vendor is an investment holding company incorporated in Singapore. It is ultimately controlled by Ascendas-Singbridge Pte Ltd., which is principally engaged in the development and construction of various urbanization projects such as towns, complexes, and business parks and industrial parks.

The Target Company was established on 8 February 2012 as a foreign owned enterprise. Since establishment, other than holding of Land B2-1, the Project Company has no other business operations.

The financial information of the Project Company prepared in accordance with the PRC Generally Accepted Accounting Principles for the financial years ended 31 December 2014 and 31 December 2015, respectively, is as follows:

	For the financial year ended 31 December 2014	For the financial year ended 31 December 2015
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (unaudited)
Revenue	Nil	Nil
Net loss before taxation	13,874	15,671
Net loss after taxation	13,874	15,671

The total assets and the net asset value of the Project Company as at 31 December 2015 were RMB875,659,769 and RMB471,367,676, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is one of the top 100 property developers in the PRC and is principally engaged in property development, property leasing and property management, focusing on the development of mid to high-end market residential properties.

Land B2-1 is situated in the Sino-Singapore Guangzhou Knowledge City of the PRC. The Sino-Singapore Guangzhou Knowledge City is a Sino-Singapore collaboration to serve as a strategic development platform and a model for economic transformation and industrial upgrading.

The transactions contemplated under the Acquisition Agreement and the Co-operation Agreement present the Group with the opportunity to pursue its growth strategy of seeking and grasping development opportunities continuously in real estate markets in the PRC. Given that the Purchaser has already entered into an agreement in relation to the Land B2-2 Acquisition, details of which are disclosed in the Land B2-2 Announcement, the Directors consider that the Acquisition could further strengthen its property development businesses in Guangzhou, the PRC. The Directors are optimistic about the prospect of the property market in Guangzhou.

The Directors consider that the terms of the Acquisition Agreement (including the consideration for the Acquisition) and the Co-operation Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

“Acquisition Agreement”	the agreement dated 30 June 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Acquisition”	the acquisition of a 75% equity interest of the Project Company by the Purchaser
“Board”	the board of the Company
“Business Day”	a day excluding Saturdays, Sundays and public holidays in the PRC, Hong Kong and Singapore
“Commerce Bureau”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Company”	Times Property Holdings Limited (時代地產控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition
“connected person”	has the meaning ascribed to it under the Listing Rules
“Co-operation Agreement”	the agreement dated 30 June 2016 entered into between the Purchaser and the Vendor
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land B2-1”	a parcel of the land designated as ZSCN-B2-1 located in the Southern Start-up Area of Sino-Singapore Guangzhou Knowledge City, the PRC

“Land B2-2”	a parcel of the land designated as ZSCN-B2-2 located in the Southern Start-up Area of Sino-Singapore Guangzhou Knowledge City, the PRC
“Land B2-2 Acquisition”	the acquisition of a 75% equity interest of a project company by the Purchaser which holds Land B2-2
“Land B2-2 Announcement”	the announcement of the Company dated 24 June 2016 in relation to, among other things, the acquisition of Land B2-2
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 July 2016
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Project Company”	天韻（廣州）房地產開發有限公司 (T i a n y u n (Guangzhou) Real Estate Development Company Limited*), a company established in the PRC with limited liability
“Purchaser”	廣州市時創房地產開發有限公司 (Guangzhou Times Shichuang Real Estate Development Company Limited*), a company established in the PRC with limited liability and is wholly owned by the Company
“Put Option”	the option granted by the Purchaser to the Vendor pursuant to which the Vendor has the right to dispose of all but not part of its entire equity interest in the Project Company to the Purchaser as particularised in the section headed “The Put Option” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Singapore”	the Republic of Singapore
“sq. m.”	square metres

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Tax”	tax (including but not limited to stamp duty and withholding tax) payable by the Vendor in relation to the Acquisition in accordance with the relevant laws and regulations of the PRC
“Vendor”	Optima Investment & Development Pte. Ltd., a company incorporated in Singapore with limited liability
%	per cent.

By order of the Board
Times Property Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 30 June 2016

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

* *For identification purpose only*