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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)

AMENDMENTS TO THE TERMS OF THE CONVERTIBLE BONDS AND EXERCISE OF THE GENERAL MANDATE

Reference is made to the announcement made by the Company dated 20 December 2016 in relation to the amendment of certain terms of the Bonds issued by the Company. Unless otherwise defined, capitalized terms used herein shall have the same meaning as those defined in that announcement.

The Company sets out below further information with respect to the Amendments.

1. APPROVAL FROM THE STOCK EXCHANGE

On 16 December 2016, the Stock Exchange has granted its approval for the Amendments.

2. PRINCIPAL TERMS OF THE AMENDMENTS

The principal terms of the Amendments are summarised as follows:

- (a) amending the provisions relating to future Subsidiary Guarantors, the JV Subsidiary Guarantors and the Security to allow it to (i) increase the Total Asset limitation for Non-Guarantor Subsidiaries; and (ii) carve out Listed Subsidiaries (so long as they remain listed) from the requirement of providing Subsidiary Guarantees or JV Subsidiary Guarantee or having their shares pledged to secure the Bonds or the related Subsidiary Guarantees;
- (b) amending the “Limitation on Indebtedness and Preferred Stock” covenant, including (i) reducing the ratio of Consolidated EBITDA to the Consolidated Fixed Charges (being the sum of Consolidated Interest Expense and all cash and non-cash dividends paid, declared or accrued on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by persons other than the Company or any Wholly Owned Restricted Subsidiary) (the “**Fixed Charge Coverage Ratio**”) required for the incurrence of any “ratio debt”; (ii) increasing the percentage of Total Assets that determines the amount of purchase money Indebtedness and other categories of the Permitted Indebtedness; (iii) increasing the general basket of the Permitted Indebtedness; (iv) expanding certain categories of “Permitted Indebtedness”, including trust financing and Indebtedness secured by Investment Properties, to also allow those incurred outside the PRC; (v) amending the definition of “Bank Deposit Secured Indebtedness” to allow other assets to be pledged to secure such Indebtedness, in addition to bank accounts and deposits; (vi) amending the definition of “Consolidated Interest Expense” to deduct the Group’s interest income from interest expense and, with respect to interest accrued on a third party’s Indebtedness that the Company or the Restricted Subsidiaries guarantee, include only interest that has become payable by the Company or any Restricted Subsidiary; and (vii) amending the definitions of “Consolidated Net Income” and “Consolidated EBITDA” to take into account unrealized gains on valuation adjustments on investment properties;
- (c) amending the “Limitation on Restricted Payments” covenant, including:
 - (A) to carve out (i) the purchase of Capital Stock of a Restricted Subsidiary from minority shareholders solely for the purpose of acquiring real property or land use rights, subject to certain conditions; and (ii) declaration or payment of dividends on Common Stock of, and repurchase of Capital Stock of, the Company, in an aggregate amount of not exceeding 20% of the profit for the year of the Company in any fiscal year, without having to satisfy the Fixed Charge Coverage Ratio requirement;

- (B) amending the definition of “Permitted Investment” to allow (i) subject to certain limitation and exceptions, Investment in minority owned joint ventures up to 20% (as opposed to 10.0% in the original Conditions) of the Group’s Total Assets, of which, Investments in an amount of up to 5.0% of Total Assets do not have to satisfy the Fixed Charge Coverage Ratio requirement, and (ii) deemed Investments in an amount of up to 5.0% of Total Assets upon designation of Subsidiaries in the proposed Restructuring Group as Unrestricted Subsidiaries in connection with the proposed Restructuring;
- (d) amending the “Limitation on Asset Sales” covenant to (i) remove the Fixed Charge Coverage Ratio requirement for Asset Disposition; and (ii) increase threshold for fairness opinion in respect of Replacement Asset;
- (e) amending the “Limitation on Transactions with Shareholders and Affiliates” covenant to allow, subject to certain conditions, our transactions with the proposed Restructuring Group entered into in connection with the proposed Restructuring;
- (f) amending the provisions relating to “Designation of Restricted and Unrestricted Subsidiaries” to allow, subject to certain conditions, the proposed Restructuring of the proposed Restructuring Group;
- (g) amending provisions relating to “Events of Default” to increase the cross-default and judgment default threshold from US\$10.0 million to US\$20.0 million; and
- (h) clarifying and amending certain provisions to bring such provisions more in line with the terms of the Bonds issued by comparable issuers in the market and to amend and introduce certain definitions in connection with the above amendments.

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

Hong Kong, 23 December 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. Shum Siu Hung (formerly known as 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.