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时代中国

TIMES CHINA

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)

(Debt Stock Codes: 40296, 40389 and 40528)

UPDATE ON PROPOSED RESTRUCTURING OF OFFSHORE DEBTS

This announcement is made by Times China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 37.47D of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

1. Progress on the proposed restructuring

Over the past few months, the Company has been actively working with its advisors to assess its current financial and operational conditions, with a view to formulating a comprehensive solution that is in the best interests of all stakeholders and facilitates a long-term sustainable capital structure of the Group. In this regard, the Company has been constructively engaging with certain holders of the Company's existing senior notes as follows and their advisors, towards a consensual restructuring of the Group's relevant offshore indebtedness:

- (a) 6.6% senior notes due 2023 (ISIN: XS1725308859, Common Code: 172530885) (the "**November 2017 Notes**");
- (b) 6.75% senior notes due 2023 (ISIN: XS2027426027, Common Code: 202742602) (the "**July 2019 Notes**");
- (c) 6.75% senior notes due 2025 (ISIN: XS2198851482, Common Code: 219885148, Debt Stock Code: 40296) (the "**July 2020 Notes**");
- (d) 6.2% senior notes due 2026 (ISIN: XS2234266976, Common Code: 223426697, Debt Stock Code: 40389) (the "**September 2020 Notes**");
- (e) 5.75% senior notes due 2027 (ISIN: XS2282068142, Common Code: 228206814, Debt Stock Code: 40528) (the "**January 2021 Notes**"); and
- (f) 5.55% senior notes due 2024 (ISIN: XS2348280962, Common Code: 234828096) (the "**June 2021 Notes**", and together with the November 2027 Notes, the July 2019 Notes, the July 2020 Notes, the September 2020 Notes and the January 2021 Notes, the "**Existing Notes**").

Such holders of the Existing Notes have formed an ad hoc group of offshore creditors (the "**AHG**") that collectively holds or controls more than 25% of the aggregate outstanding principal amount of the Existing Notes.

The Company is pleased to announce that it has reached an agreement in principle with the AHG on high-level, key commercial terms of a holistic proposal (the "**Proposal**") with respect to the restructuring of the Existing Debt Instruments (as defined below) (the "**Proposed Restructuring**"). This is a significant milestone for the Company in its implementation of the Proposal and the Company would like to express its gratitude to the AHG and its advisors, as well as other creditors of the Company's offshore indebtedness, for their continuing support and engagement in the Company's ongoing process.

For the avoidance of doubt, as at the date of this announcement, the Company is still in negotiations with the AHG on definitive terms of the Proposal as well as other commercial and legal terms relevant to the Proposed Restructuring which will be documented in a term sheet to be agreed between the Company and the AHG. Additionally, the AHG have not entered into any legally binding agreement in respect of the Proposal or to otherwise support the Proposed Restructuring. Accordingly, the in principle agreement of the AHG is subject to all of the foregoing.

The Company expects to continue the proactive and constructive dialogue and maintain a positive momentum with all relevant stakeholders (including the AHG and the lenders under the Existing Syndicate Loan (as defined below)), with a view to documenting the terms of the Proposal as soon as practical. In this regard, the Company will continue to provide material updates on the process to all stakeholders as and when appropriate.

2. Key terms of the Proposal

The key terms of the Proposal agreed in principle are as summarized below.

- (a) The Proposed Restructuring is expected to deal with the Existing Notes and a Hong Kong-law governed US\$ and HK\$ dual-currency transferable term loan facility (as amended and supplemented) borrowed by the Company (the “**Existing Syndicate Loan**”, together with the Existing Notes and the Existing Syndicate Loan, the “**Existing Debt Instruments**”). As of 31 December 2023, the aggregate outstanding principal amount of the Existing Notes was US\$2.65 billion and the outstanding principal amounts under the Existing Syndicated Loan were HK\$683.17 million (approximately US\$87.59 million) and US\$162.76 million.
- (b) It is further expected that the Proposed Restructuring shall be implemented by way of a scheme of arrangement in Hong Kong and/or other applicable jurisdictions (the “**Scheme**”).

- (c) Under the Proposal, the Short-Term Notes, the Upfront Payment, the Mandatory Convertible Bonds I, the Medium-Term Notes, the Long-Term Notes, the Mandatory Convertible Bonds II and the New Company Share (each as defined below) will be issued and/or distributed to the relevant scheme creditors based on their selection among the options below (subject to the varying maximum election amounts for each option):
- (i) scheme creditors electing option 1 are entitled to (x) an upfront payment (the “**Upfront Payment**”); (y) short-term notes with interest to be paid in cash or payment in kind (the “**Short-Term Notes**”) in an principal amount with significant haircut of the Existing Debt Instruments elected for exchange under option 1; and (z) certain numbers of ordinary shares of the Company to be issued (the “**New Company Shares**”);
 - (ii) scheme creditors electing option 2 are entitled to (x) mandatory convertible bonds (the “**Mandatory Convertible Bonds I**”); and (y) medium-term notes with interest to be paid in cash or payment in kind (the “**Medium-Term Notes**”); and
 - (iii) scheme creditors electing option 3 are entitled to long-term notes with interest to be paid in cash or payment in kind (the “**Long-Term Notes**”).
- (d) Mandatory convertible bonds (the “**Mandatory Convertible Bonds II**”) or other equity-linked securities as determined by the Company may be issued to relevant scheme creditors in exchange for the accrued interests of their Existing Debt Instruments depending on the option elected.
- (e) To support the Company’s payment obligations under the Short-Term Notes, the Medium-Term Notes and the Long-Term Notes, cash sweep of a specified portfolio of projects will be provided by the relevant members of the Group which is to be agreed between the Company and the AHG.
- (f) The Medium-Term Notes and the Long-Term Notes are subject to mandatory redemption under which the principal amount of the Medium-Term Notes and the Long-Term Notes will be redeemed by instalment with the last instalment to be made on their respective maturity date.
- (g) A consent fee is being considered to be provided to the creditors who support the Proposal.

The issue of Mandatory Convertible Bonds I and Mandatory Convertible Bonds II will be subject to, among others, compliance with the requirements of applicable laws and regulations and the Listing Rules, and the Stock Exchange granting approvals for the listing of and permission to deal in the New Company Shares. Further information about the issue of Mandatory Convertible Bonds I and Mandatory Convertible Bonds II, including the number of shares to be issued, the applicable conversion price, and the specific mandate to be sought from the shareholders on the issuance of New Company Shares will be announced by the Company as and when the final terms on the Proposal have been confirmed and definitive agreements have been entered into.

3. General

Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material development as and when appropriate.

The implementation of any holistic solution or any restructuring will be subject to many factors not within the control of the Company. **As there is no assurance that any holistic solution or any such restructuring will be successfully implemented, holders of securities of the Company and other investors of the Company are reminded to consider the related risks and exercise caution when dealing in the securities of the Company.** When in doubt, holders of securities and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

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

Hong Kong, 28 June 2024

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 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.