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DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANY

THE ACQUISITION

On 28 June 2020, the Purchaser entered into the Agreement with the Vendors, the Target Company, the Project Company, the Guarantors and the Minority Shareholder, pursuant to which the Purchaser agreed to acquire, and the Vendors agreed to sell, the Interest at the Consideration.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its results will be consolidated by the Group.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

THE ACQUISITION

On 28 June 2020, the Purchaser entered into the Agreement with the Vendors, the Target Company, the Project Company, the Guarantors and the Minority Shareholder with respect to the Acquisition.

The principal terms of the Agreement are set out below.

Assets to be acquired

The Purchaser has agreed to acquire, and the Vendors have agreed to sell, the Interest.

As at the date of the Agreement, Vendor A, Vendor B, Vendor C and Vendor D hold 65%, 20%, 10% and 5% of the equity interest in the Target Company, respectively.

Consideration

The Consideration is RMB234,050,000 (equivalent to approximately HK\$257,093,270). The Consideration was determined based on the arm's length negotiation between the Purchaser and the Vendors with reference to (i) historical financial performance of the Project Company; and (ii) the reasons and benefits as set out in the section headed "**REASONS FOR AND BENEFITS OF THE ACQUISITION**" in this announcement.

The Consideration shall be payable by the Purchaser to the Vendors in cash in the following manner:

- (i) an amount of RMB122,025,000 (equivalent to approximately HK\$134,038,907) (the "**Escrow Amount**") shall be payable to the Escrow Account within 10 business days after the date of the Agreement; and then the same amount shall be released to the Vendors within 10 business days after completion of the Registration;
- (ii) an amount of RMB73,215,000 (equivalent to approximately HK\$80,423,344) shall be payable to the Vendors within 10 business days after the date of Completion;
- (iii) the balance of RMB24,405,000 (equivalent to approximately HK\$26,807,781) shall be payable to the Vendors within 10 business days after the consolidation of all financial information, including but not limited to the accounts receivable and payable by the Project Company to the Purchaser's accounting system; and
- (iv) an amount of RMB14,405,000 (equivalent to approximately HK\$15,823,237) shall be payable to the Vendors within 12 months of the date of Agreement.

The Group intends to fund the Acquisition by using the proceeds from its listing.

Conditions precedent

Completion is conditional upon each of the following conditions being satisfied or waived by the Purchaser in writing:

- a) the due diligence review carried out by a professional party appointed by the Purchaser being satisfied in the following aspects:
 - (i) the representations and warranties provided by the Vendors in respect of themselves, the Target Company and the Project Company are true, complete and accurate;
 - (ii) the Vendors having rectified all the issues identified during the due diligence process within the timeframe prescribed by the Purchaser;

- (iii) each of the Vendors holds all the legal and beneficial title of his equity interest in the Target Company comprised in the Interest and the Target Company holds all the legal and beneficial title in the 51% equity interest in the Project Company, without any encumbrances or claims;
 - (iv) the Project Company is the legal property management services provider for 217 projects under management; and
- b) the Vendors, the Target Company, the Project Company and the Minority Shareholder have not breached any warranties or obligations under the Agreement from the date of the Agreement to the date of Completion.

Completion

Subject to fulfillment of the conditions precedent and the payment of the Escrow Amount into the Escrow Account by the Purchaser, the Purchaser and the Vendors shall effect the Registration. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its results will be consolidated by the Group.

Profit guarantee

The Vendors, the Guarantors and the Minority Shareholder undertook to the Purchaser that the Project Company will achieve not less than the net profit after taxation as set out below and the Purchaser will be entitled for the below distribution for each of the following periods.

For the financial year ending	Target net profit after taxation	The Purchaser's entitled distribution (calculated by 51% of the target net profit after taxation)
31 December 2020	RMB31,339,000	RMB15,982,890
31 December 2021	RMB34,472,900	RMB17,581,179
31 December 2022	RMB37,920,190	RMB19,339,296

In the event that the Project Company fails to record the guaranteed net profit after taxation in any of the relevant financial years, the Purchaser will still be entitled for the relevant distribution amount. Any shortfall will be compensated directly by the Vendors, the Guarantors and the Minority Shareholder jointly to the Purchaser.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Shanghai Kejian Property Services Co., Ltd., the Project Company, is a property management services provider established in 2009 and headquartered in Shanghai, the PRC, with certain brand awareness and reputation, as well as a benchmark in the industrial logistics real estate property management scopes with a leading position. In 2018 and 2019, it was awarded as one of the "Top 100 Property Management Companies of China" for two consecutive years. As at 31 December 2019, the Project Company had 217 projects under management, mostly serving well-known domestic and international companies in the logistics real estate industries; the area under management is approximately 16.00 million square meters, distributed in 18 provinces and municipalities across the PRC and about 70% of such projects under management are located in high-growth economic regions such as Jiangsu, Zhejiang and Shanghai.

The Board believes that the Project Company is a leading enterprise with a main business of the subdivided field of industrial logistics real estate property management and broad market prospects, and it will fully complement the regional layout and existing business of the Group, which is consistent with the Group's overall layout strategy, as well as to bring a good synergistic effect in the Group's further development. Through the Acquisition, the Group will further expand its business scale into the field of industrial logistics real estate property management, as well as enhance the Group's brand influence and competitiveness to meet the Group's long-term strategic development needs.

Based on the factors as disclosed above, the Directors are of the view that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company newly established in June 2020 and holds 51% equity interest of the Project Company. The Project Company is principally engaged in the business of provision of property management services.

Based on the unaudited consolidated financial statements of the Project Company prepared in accordance with the PRC GAAP, the financial information of the Project Company for the two financial years ended 31 December 2018 and 31 December 2019 is set out below:

	For the financial year ended 31 December	
	2018 unaudited RMB	2019 unaudited RMB
Revenue	193,792,712	210,641,424
Net profit before tax	31,074,468	37,984,685
Net profit after tax	23,305,851	28,488,514

The unaudited net asset value of the Project Company as at 31 December 2019 was approximately RMB73,523,418.

INFORMATION ON THE PARTIES

The Group

The Group 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 the PRC.

The Purchaser

The Purchaser is an indirect wholly-owned subsidiary of the Company, which is principally engaged in investment holding.

The Vendors, the Guarantors and the Minority Shareholder

Each of the Vendors is principally engaged in investment holding.

Vendor A is wholly owned by Mr. Chen; Vendor B is wholly owned by Mr. Yu; Vendor C is wholly owned by Mr. Li; and Vendor D is wholly owned by Mr. Zheng.

The Minority Shareholder is a limited partnership established in the PRC, which is principally engaged in investment holding. Mr. Chen, Mr. Yu, Mr. Li and Mr. Zheng are limited partners of the Minority Shareholder.

The Guarantors are Mr. Chen, Mr. Yu, Mr. Li and Mr. Zheng.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors, the Guarantors, the Minority Shareholder, and their ultimate beneficial owners are independent third parties and not connected with the Company and its connected person.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

None of the Directors has a material interest in the Agreement and the transactions contemplated thereunder. Accordingly, the Directors are not required to abstain from voting on the relevant Board resolutions for approving the Acquisition.

Completion is subject to the fulfillment of the conditions precedent, and the Acquisition 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:

“Acquisition”	the acquisition of the Interest by the Purchaser from the Vendors
“Agreement”	the agreement dated 28 June 2020 entered into by and among the Purchaser, the Vendors, the Guarantors, the Minority Shareholder, the Target Company and the Project Company in relation to the Acquisition
“Board”	the board of the Company
“Company”	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)

“Completion”	completion of the Acquisition (i.e. completion of the Registration and the transfer of all relevant deliverables in relation to the Interest)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	an amount of RMB234,050,000 (equivalent to approximately HK\$257,093,270)
“Director(s)”	the director(s) of the Company
“Escrow Account”	a bank account designated by the Purchaser in the Purchaser’s name jointly controlled by the Vendors and the Purchaser
“Escrow Amount”	has the meaning ascribed to it in the paragraph headed “Consideration” in this announcement
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Chen, Mr. Yu, Mr. Li and Mr. Zheng
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interest”	100% of the equity interest in the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minority Shareholder”	Gongqingcheng Hanhe Investment Partnership* (共青城哈赫投資合夥企業(有限合夥)), a limited partnership established in the PRC that holds a 49% equity interest in the Project Company
“Mr. Chen”	Mr. Chen Yuecai (陳岳才先生), an individual resided in the PRC
“Mr. Yu”	Mr. Yu Jie (俞傑先生), an individual resided in the PRC
“Mr. Li”	Mr. Li Sujun (李蘇軍先生), an individual resided in the PRC
“Mr. Zheng”	Mr. Zheng Hengxue (鄭恒學先生), an individual resided in the PRC
“PRC”	the People’s Republic of China
“PRC GAAP”	the generally accepted accounting principles in the PRC
“Project Company”	Shanghai Kejian Property Services Co., Ltd.* (上海科箭物業服務有限公司), a company established under the PRC with limited liability

“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Xuzhou Mengmu Enterprise Management Co., Ltd.* (徐州盟睦企業管理有限公司), a company established under the PRC with limited liability
“Target Group”	the Target Company and the Project Company
“Vendors”	Vendor A, Vendor B, Vendor C and Vendor D
“Vendor A”	Tai’an Daiyue District Qiwan Enterprise Management Center* (泰安岱岳區啟灣企業管理中心), a company established under the PRC with limited liability
“Vendor B”	Tai’an Daiyue District Shunzheng Enterprise Consulting Management Center* (泰安岱岳區順正企業諮詢管理中心), a company established under the PRC with limited liability
“Vendor C”	Tai’an Daiyue District Kunze Enterprise Management Center* (泰安岱岳區坤澤企業管理中心), a company established under the PRC with limited liability
“Vendor D”	Tai’an Daiyue District Guangmo Enterprise Management Center* (泰安岱岳區廣陌企業管理中心), a company established under the PRC with limited liability
“%”	per cent.

Note: For the purpose of illustration only, RMB is translated to HK\$ at the illustrative rate of RMB0.91037 = HK\$1.00.

** For identification purpose only.*

By Order of the Board
Times Neighborhood Holdings Limited
Mr. Bai Xihong
Chairman

Hong Kong, 28 June 2020

As at the date of this announcement, the Board comprises Ms. Wang Meng, Mr. Yao Xusheng, Ms. Xie Rao and Ms. Zhou Rui as executive Directors; Mr. Bai Xihong and Mr. Li Qiang as non-executive Directors; Mr. Lui Shing Ming, Brian, Dr. Wong Kong Tin and Dr. Chu Xiaoping as independent non-executive Directors.