
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Times China Holdings Limited, you should at once hand this circular and the accompanying election form (if any) to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

Executive Directors:

Mr. Shum Chiu Hung
(Chairman and Chief Executive Officer)
Mr. Guan Jianhui
Mr. Bai Xihong
Mr. Li Qiang
Mr. Shum Siu Hung
Mr. Niu Jimin

Independent non-executive Directors:

Mr. Jin Qingjun
Ms. Sun Hui
Mr. Wong Wai Man

Registered office:

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters in the People's Republic of China:

36-38/F, Times Property Center
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Guangzhou
Guangdong Province
The People's Republic of China

Principal place of business in Hong Kong:

Suites 3905-3908, 39/F
Two Exchange Square
8 Connaught Place
Central, Hong Kong

9 June 2022

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2021**

INTRODUCTION

On 30 March 2022, the board of directors (the “**Board**”) of Times China Holdings Limited (the “**Company**”) had resolved to recommend that a final dividend of RMB7.87 cents (equivalent

to 9.17 HK cents) (the “**Final Dividend**”) per ordinary share of par value of HK\$0.10 each in the share capital of the Company (the “**Share**”) for the year ended 31 December 2021 be paid on or around Monday, 4 July 2022 to the shareholders of the Company (the “**Shareholders**”) whose names appeared on the register of members of the Company (the “**Register of Members**”) as at the close of business on Tuesday, 7 June 2022 (the “**Record Date**”). In order to determine the right of the Shareholders entitled to receive the Final Dividend, the Register of Members was closed from Thursday, 2 June 2022 to Tuesday, 7 June 2022, both days inclusive. An ordinary resolution to approve the Final Dividend was passed by the Shareholders at the annual general meeting of the Company held on Friday, 27 May 2022. Subject to the terms set out in this circular, the eligible Shareholders have the right to elect to receive the Final Dividend in new fully paid Share(s) (the “**New Shares**”) to be issued under the Scrip Dividend Scheme (as defined below) instead of in cash, or partly in the New Shares and partly in cash (the “**Scrip Dividend Scheme**”).

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Shareholder has the following choices to receive the Final Dividend:

- (i) a cash dividend of 9.17 HK cents for each Share held on the Record Date; or
- (ii) an allotment of the New Shares at the Market Value (as defined below) equal to the total amount of the Final Dividend that such Shareholder would otherwise receive in cash, subject to any fractional entitlement being disregarded as mentioned below; or
- (iii) partly in cash and partly in the New Shares.

For the purpose of calculating the number of the New Shares to be allotted to the Shareholders pursuant to the Scrip Dividend Scheme, the market value of the New Shares has been determined at 225 HK cents per Share (the “**Market Value**”), which is the average closing price of the Shares as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five consecutive trading days commencing on, and including Tuesday, 31 May 2022, rounding down such figure to four decimal places.

Accordingly, the number of the New Shares which the Shareholders will receive in respect of the Final Dividend for the existing Shares registered in their names on the Record Date will be calculated as follows:

$$\begin{array}{rcccl}
 \text{Number of the} & & \text{Number of existing Shares} & & \\
 \text{New Shares to be received} & & \text{held on the Record Date for} & & \\
 \text{(round down to the} & = & \text{which election for the} & \times & \frac{9.17 \text{ HK cents}}{\text{(Final Dividend per Share)}} \\
 \text{nearest whole number)} & & \text{New Shares is made} & & \text{Market Value}
 \end{array}$$

No Shareholder will be entitled to be issued any fraction of a New Share under the Scrip Dividend Scheme and the number of the New Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the New Shares will be disregarded. The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing issued Shares, except that such New Shares themselves will not rank for the Final Dividend.

The New Shares will be allotted by way of capitalisation of the Company's reserves or profits and are not renounceable. The right to receive the New Shares instead of whole or part of the cash dividend is non-transferable.

As at 7 June 2022, the Board has not received any information from the controlling shareholders of the Company of their intention to receive the Final Dividend in cash, the New Shares or partly in cash and partly in the New Shares.

ADVANTAGE OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders the opportunity to increase their investment in the Company without incurring brokerage fees, dealing costs or stamp duty. To the extent that Shareholders elect to receive the New Shares, in whole or in part in lieu of cash dividend, the Company will benefit by retaining the cash as general working capital which would otherwise be payable by way of cash dividend.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 2,101,816,039 Shares in issue as at the Record Date, if no election to receive the Final Dividend in the New Shares were received, the total cash dividend payable by the Company would be approximately HK\$192,736,531.

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under the provisions of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for those Shareholders who may have notifiable interests in the Company. **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

ELECTION FORM

An election form (the “Election Form”) is enclosed with this circular. Please read carefully the instructions below and the instructions printed on the Election Form.

No action is required if you wish to receive the Final Dividend wholly in cash. Otherwise, if you wish to receive the Final Dividend wholly in the New Shares in lieu of cash, or partly in the New Shares and partly in cash, you must COMPLETE, SIGN AND RETURN the enclosed Election Form to the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (the “Share Registrar”) not later than 4:30 p.m. on Thursday, 23 June 2022.

If you complete the Election Form but do not specify the number of Shares in respect of which you wish to receive the Final Dividend in the New Shares, or if you elect to receive the Final Dividend in the New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have elected to receive the New Shares only in respect of all the Shares registered in your name on the Record Date.

No acknowledgement of receipt of the Election Form will be issued.

The latest time for submission of the Election Form will not be valid if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or “extreme conditions caused by super typhoons” announced by the Government of Hong Kong is in force in Hong Kong:

- i. at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 23 June 2022. Instead, the deadline for the submission of the Election Form will be 5:00 p.m. on the same business day; or
- ii. at any local time between 12:00 noon and 4:30 p.m. on Thursday, 23 June 2022. Instead, the deadline for the submission of the Election Form will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

No election in respect of the Final Dividend may, after the relevant Election Form is signed and returned to the Share Registrar, be in any way withdrawn, revoked, superseded or altered.

SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

All Shareholders resident outside Hong Kong should consult their professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the New Shares under the Scrip Dividend Scheme.

This circular and the Election Form will not be registered in Hong Kong or any other jurisdiction. The Shares have not been registered under the applicable securities legislation of any jurisdictions other than Hong Kong.

As at 6 June 2022, an aggregate of 163,477,503 Shares, representing approximately 7.77% of the existing issued share capital of the Company, were held through the China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) as nominee under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the “**PRC Southbound Trading Investors**”).

Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 17 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), investors from the People’s Republic of China (which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan) who are the PRC Southbound Trading Investors can participate in the Scrip Dividend Scheme through ChinaClear.

ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the New Shares in respect of all or part of his/her holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the election to receive the New Shares.

No Shareholder receiving in any territory outside Hong Kong a copy of this circular and/ or an Election Form may treat the same as an invitation to elect for New Shares unless in the relevant territory such invitation could lawfully be made to such person without the Company being required to comply with any registration or other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of any Shareholder residing outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction(s), including procedures or any other similar formalities. It is also the responsibility of any Shareholder who receives New Shares in lieu of cash dividend to comply with any restrictions on the resale of the New Shares which apply outside Hong Kong.

As at the Record Date, save for the PRC Southbound Trading Investors, no Shareholder had a registered address outside Hong Kong as appeared on the register of members of the Company.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares. If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective, the Election Forms will be void and the Final Dividend will then be paid wholly in cash.

LISTING AND DEALINGS

An application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the New Shares. Subject to such application being granted by the Stock Exchange, it is expected that share certificates in respect of such New Shares will be

sent by ordinary mail to the Shareholders at their own risk on or before Monday, 4 July 2022 and dealings in the New Shares are expected to commence on Tuesday, 5 July 2022.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”) with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. None of the securities (whether equity or debt securities) of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

OTHER SECURITIES OF THE COMPANY

As at 7 June 2022, the Company has no outstanding share options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares.

RESPONSIBILITY STATEMENT

This circular, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to elect to receive the New Shares in lieu of cash will depend upon your own individual circumstances and the decision in this regard, and all effects resulting therefrom, must be solely the responsibility of each Shareholder. The effect on the tax position of any Shareholder will depend on such Shareholder’s particular circumstances.

If you are in any doubt as to what to do, you should consult your professional advisers.
Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or the New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

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

This document is in English and Chinese. In case of any inconsistency, the English version shall prevail.

TIMETABLE OF EVENTS

Events	Time/Date (Hong Kong Time)
Record Date	Tuesday, 7 June 2022
Latest time for return of the Election Form to the Share Registrar	4:30 p.m. on Thursday, 23 June 2022
Expected date of despatch of dividend warrants and/or share certificates by ordinary mail at the risk of recipients	Monday, 4 July 2022
Expected first day of dealings in the New Shares	Tuesday, 5 July 2022