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天津發展控股有限公司
TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

DISCLOSEABLE TRANSACTION

INVESTMENT IN A FUND

On 7 September 2020, Learder Top, a direct wholly-owned subsidiary of the Company, had executed the Application Form to subscribe for the Investment Shares of the Segregated Portfolio for a total subscription amount of US\$20,000,000 (equivalent to approximately HK\$156,000,000) on terms and conditions of the Private Placing Memorandum and the Side Letter.

As one or more of the applicable percentage ratios in relation to the Subscription exceed 5% but all are less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

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PRINCIPAL TERMS OF THE SUBSCRIPTION

The principal terms of the Subscription are summarised as follows:

Subscriber	:	Learder Top
Name of the Fund	:	Everbright Strategic Select Fund SPC (光大策略精選基金獨立投資組合公司)
Name of the Segregated Portfolio	:	Prosperity Fixed Income Fund SP (豐裕固定收益基金)

Subscription amount : US\$20,000,000 (equivalent to approximately HK\$156,000,000)

The subscription amount was determined based on the available financial resources of the Company. The subscription amount will be settled with the internal resources of the Company.

Investment objective : The principal investment objective of the Segregated Portfolio is to provide investors of Class P Shares with stable income generation by way of fixed target return and investors of Class R Shares with capital appreciation.

The Segregated Portfolio is subject to investment risks. The principal invested has limited protection while the investment objective may or may not be achieved.

Investment strategy : The Segregated Portfolio will seek to achieve the investment objective by investing primarily in fixed income instruments denominated and settled in US\$ or other currencies issued by companies, institutions or government agencies which carry out a predominant proportion of their business activities in or derive a predominant of their revenue from Greater China and other Asia-Pacific countries.

Investment restrictions : The following investment restrictions shall be applied in managing the assets of the Segregated Portfolio:

- (i) not more than 50% of the Segregated Portfolio's latest available net asset value may be invested in countries or area other than Greater China;
- (ii) not more than 15% of the Segregated Portfolio's latest available net asset value may be invested in a single country other than Greater China;
- (iii) not more than 10% of the Segregated Portfolio's latest available net asset value may be invested in fixed income securities of any single issuer (entities of the same group of the issuer and all of their respective affiliates shall be counted as the same issuer); and
- (iv) both investment grade bonds and non-investment grade bonds in terms of purchasing value may be invested.

Target return rate : The designated target return rate for the Investment Shares is 4.1% per annum (the "**Target Return Rate**").

Fees : No subscription fee, management fee or performance fee will be charged with respect to the Investment Shares.

- Dividend : Income received by the Segregated Portfolio will not be distributed as dividends unless the directors of the Fund otherwise determine.
- Class Ratio Control : The ratio of the net asset value of the Class P Shares in aggregate to the net asset value of Class R Shares (“**P:R**”) should be 2:1. Such ratio may be increased but is generally expected to be not exceeding 3:1 on any valuation day.
- Lock-up period : The Investment Shares are subject to a lock-up period ending on 31 August 2020 (the “**Lock-up Period**”), during which no Investment Shares shall be redeemed except with the consent of the directors of the Fund or the Investment Manager. Where such consent is given, the Investment Manager shall have the power to levy a redemption fee of not more than 2% of the redemption price.
- Redemption : Unless otherwise agreed by the directors of the Fund, holder of the Investment Shares is required to redeem at the expiry of the Lock-up Period.
- The redemption price of the Investment Shares shall be calculated by adding the Target Return Rate to the aggregate subscription price, with the result being the target return (the “**Target Return**”).
- Any “shortfall” of the Target Return owing to the holder of the Investment Shares (i.e. the extent by which, the net asset value attributable to the Investment Shares is less than the Target Return) will be funded out of the net asset value attributable to Class R Shares.
- Compulsory redemption : Notwithstanding the Lock-Up Period, at any time during the term of the Segregated Portfolio, if it comes to the attention of the directors of the Fund or the Investment Manager on any valuation day that ratio of P:R equals or exceeds 4:1, the directors of the Fund shall compulsorily redeem Class P Shares on pro rata basis on the immediately following redemption day (i.e. the first business day in each calendar month and/or such other day or days as the directors of the Fund may from time to time prescribe) to the effect that such ratio equals or is less than 2:1.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

As the principal investment objective of the Segregated Portfolio is to provide holders of Class P Shares with a fixed target return and redemption mechanisms are in place to provide reasonable protection to holders of Class P Shares, the Subscription is in line with the internal risk management, treasury management and investment policies of the Group. The Subscription was made for treasury management purpose to provide with a better return on the idle funds of the Group and were conducted on the premises that such investments would not affect its working capital or its business operations. Given that the Subscription would enable the Group to earn an attractive rate of return when compared to the deposit interest rate generally offered by commercial banks in Hong Kong, the expected investment return in connection with the Subscription would broaden the Group's revenue streams. The Company will take appropriate measures to monitor the performance of the Segregated Portfolio so as to minimise the relevant risks.

Having considered the investment objective and strategy of the Segregated Portfolio and by leveraging on the investment expertise of the Investment Manager, the Directors are of the view that the terms and conditions of the Subscription are based on normal commercial terms and are fair and reasonable and the transactions contemplated thereunder are in the best interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in relation to the Subscription exceed 5% but all are less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE GROUP AND LEARDER TOP

The principal activity of the Company is investment holding. The principal activities of the Group are (i) utilities including supply of electricity, water, heat and thermal power; (ii) pharmaceutical including manufacture and sale of chemical drugs, and research and development of new medicine technology and new products, as well as design, manufacture and printing for pharmaceutical packaging and sale of other paper-based packaging materials; (iii) hotel; (iv) electrical and mechanical including the manufacture and sale of presses, mechanical and hydroelectric equipment and large scale pump units; and (v) strategic and other investments including investments in associates which are principally engaged in the manufacture and sale of elevators and escalators and provision of port services in Tianjin.

Learder Top is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company. Its principal business is investment holding.

INFORMATION ON THE FUND AND THE INVESTMENT MANAGER

The Fund is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability on 20 June 2018. The Fund is registered as a “segregated portfolio company” with the Registrar of Companies of the Cayman Islands. As a segregated portfolio company, the Fund can operate segregated portfolios with the benefit of statutory segregation under Cayman Islands law of assets and liabilities between each segregated portfolio and the general assets of the Fund.

The Investment Manager has been appointed by the Fund as investment manager to manage the assets of the Segregated Portfolio. The Investment Manager is a limited liability company incorporated in Hong Kong. It is licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the SFO and is subject to the licensing condition that it shall not hold client assets.

According to the information provided by the Investment Manager, the Investment Manager is a wholly-owned subsidiary of Everbright Securities Company Limited (光大證券股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H Shares and A Shares are listed on the main board of the Stock Exchange (Stock Code: 6178) and the Shanghai Stock Exchange (Stock Code: 601788), respectively. Mr. SHUM Chun (“**Mr. Shum**”) is a responsible officer of the Investment Manager and is the officer responsible for the Segregated Portfolio. Mr. Shum has over 10 years of experience on transactions of and investments in fixed income products. Before joining the Investment Manager, Mr. Shum worked with BOCOM International Asset Management Limited and was responsible for managing bond funds and clients’ investments in bonds.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Fund, the Investment Manager, and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Application Form”	the application form dated 7 September 2020 executed by Learder Top in relation to the Subscription
“Board”	the board of Directors
“Company”	Tianjin Development Holdings Limited (天津發展控股有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 882)
“Class P Shares”	shares in respect of the Segregated Portfolio designated as Class P Shares
“Class R Shares”	shares in respect of the Segregated Portfolio designated as Class R Shares

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Fund”	Everbright Strategic Select Fund SPC (光大策略精選基金獨立投資組合公司), an exempted company incorporated and registered as a segregated portfolio company with limited liability in the Cayman Islands
“Greater China”	the PRC, Hong Kong, Macau Special Administrative Region and Taiwan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Manager”	China Everbright Securities Asset Management Limited (中國光大證券資產管理有限公司), a limited liability company incorporated in Hong Kong
“Investment Shares”	shares in respect of the Segregated Portfolio designated as Class P-12M-USD Shares, which form part of the Class P Shares
“Learder Top”	Learder Top Investments Limited (利達高投資有限公司), a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Private Placing Memorandum”	the private placing memorandum issued by the Fund on 14 August 2020 in relation to the private placing of shares in its segregated portfolios, setting out, among others, the principal information of the Fund and the appendix II issued in August 2020 containing specific information in respect of the Segregated Portfolio
“RMB”	Renminbi, the lawful currency of the PRC
“Segregated Portfolio”	Prosperity Fixed Income Fund SP (豐裕固定收益基金), a segregated portfolio of the Fund
“SFO”	the Securities and Futures Ordinance of Hong Kong

“Side Letter”	the side letter dated 7 September 2020 entered into by the Investment Manager and Learder Top containing further details on the terms relating to the Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Investment Shares of the Segregated Portfolio for a total subscription amount of US\$20,000,000 (equivalent to approximately HK\$156,000,000) on terms and conditions of the Private Placing Memorandum and the Side Letter by Learder Top
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

English names of the PRC established companies/entities in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.

In this announcement, US\$ has been converted to HK\$ at the rate of US\$1 = HK\$7.8 for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Tianjin Development Holdings Limited
Wang Zhiyong
Chairman and Executive Director

Hong Kong, 7 September 2020

As at the date of this announcement, the board of directors of the Company consists of Mr. Wang Zhiyong, Mr. Chen Yanhua, Dr. Li Xiaoguang, Mr. Zhuang Qifei, Mr. Cui Xiaofei, Mr. Cheung Wing Yui, Edward, Dr. Cheng Hon Kwan**, Mr. Mak Kwai Wing, Alexander**, Ms. Ng Yi Kum, Estella**, Mr. Wong Shiu Hoi, Peter** and Dr. Loke Yu**.*

* *non-executive director*

** *independent non-executive director*