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天津发展控股有限公司
TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

DISCLOSEABLE TRANSACTION

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

FIRST CITIC WEALTH MANAGEMENT AGREEMENT

On 28 June 2022, Lisheng Pharmaceutical entered into the First CITIC Wealth Management Agreement with CITIC Securities to subscribe for a wealth management product in an aggregate subscription amount of RMB70,000,000 (equivalent to approximately HK\$81,680,280).

SECOND CITIC WEALTH MANAGEMENT AGREEMENT

On 8 August 2022, Lisheng Pharmaceutical entered into the Second CITIC Wealth Management Agreement with CITIC Securities and China Capital to subscribe for a wealth management product in an aggregate subscription amount of RMB200,000,000 (equivalent to approximately HK\$233,372,229).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the subscription amount under the Second CITIC Wealth Management Agreement, whether on a standalone basis or when aggregated with the First CITIC Wealth Management Agreement, exceeds 5% but is less than 25%, the transactions contemplated under the CITIC Wealth Management Agreements constitute discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FIRST CITIC WEALTH MANAGEMENT AGREEMENT

On 28 June 2022, Lisheng Pharmaceutical entered into the First CITIC Wealth Management Agreement with CITIC Securities to subscribe for a wealth management product in an aggregate subscription amount of RMB70,000,000 (equivalent to approximately HK\$81,680,280).

The subscription shall be effective from 28 June 2022 onward, for a period of not more than 365 days. The expected annualised return rate under the First CITIC Wealth Management Agreement ranges from 2.3% to 3.5%.

The principal terms of the First CITIC Wealth Management Agreement are summarised as follows:

Parties	:	(i) Lisheng Pharmaceutical; and (ii) CITIC Securities
Name of the wealth management product	:	中信証券質押式報價回購「天天利財」合約系列產品 (CITIC Securities Pledged-style Quotation Repurchase “Tiantian Licai” Contract Series)
Currency of investment and returns	:	RMB
Safety of principal and returns	:	The principal and returns are secured by assets pledged by CITIC Securities
Investment scope	:	Bank deposits, interest rate products (including treasury bills, central bank notes, policy financial bonds, etc.), credit products (financial bonds with credit rating of AA or above, short term financing, ultra short term financing, medium term notes, corporate bonds, debentures) and monetary funds, etc.
Principle for calculation of return	:	The return upon maturity is calculated based on the investment principal of Lisheng Pharmaceutical, the days of investment, and the annualised return rate upon maturity as announced by CITIC Securities. Lisheng Pharmaceutical may apply for early repurchase before maturity in full or in part. The return upon early repurchase is calculated based on the investment principal subject to early repurchase, the days of investment, and the annualised return rate for early repurchase as announced by CITIC Securities.
Payment of principal and return	:	The principal and return will be paid to Lisheng Pharmaceutical in one lump sum on the date of maturity or early repurchase (as the case may be).

SECOND CITIC WEALTH MANAGEMENT AGREEMENT

On 8 August 2022, Lisheng Pharmaceutical entered into the Second CITIC Wealth Management Agreement with CITIC Securities and China Capital to subscribe for a wealth management product in an aggregate subscription amount of RMB200,000,000 (equivalent to approximately HK\$233,372,229).

The subscription shall be effective from 8 August 2022 onward, for a period of not more than 365 days. The expected annualised return rate under the Second CITIC Wealth Management Agreement is 4%.

The principal terms of the Second CITIC Wealth Management Agreement are summarised as follows:

Parties	:	(i) Lisheng Pharmaceutical (as asset entrustor); (ii) China Capital (as asset manager); and (iii) CITIC Securities (as asset custodian)
Name of the wealth management product	:	中信証券華夏資本 — 信泰11號集合資產管理計劃 (CITIC Securities China Capital – Xintai No. 11 Collective Asset Management Plan)
Currency of investment and returns	:	RMB
Type of return and risk rating	:	Principal non-guaranteed with floating return and relatively low risk
Investment scope	:	The plan principally invests in fixed-income assets, with the market value of the plan's investment in fixed-income assets being not less than 95% of the total assets of the plan, and the option fee invested in over-the-counter options being not more than 1% of the net value of the plan.

The investment scope of the plan includes:

- (1) Fixed-income assets: cash, bank deposits, interest rate bonds, credit bonds, positive repurchase, reverse repurchase, quotation repurchase, asset-backed securities (senior only), asset-backed notes (senior only), interbank certificates of deposit, convertible bonds, exchangeable bonds, short-term financing bills, ultra-short-term financing bills, monetary funds, bond-type public funds, income certificates issued by securities companies, and other fixed-income assets.
- (2) Commodities and financial derivatives: Exchange-listed futures, interest rate swaps, and total return swaps and over-the-counter options with counterparties having corresponding business qualifications.

- (3) Others: credit-linked notes, exchange-traded credit protection certificates and credit protection contracts, interbank credit risk mitigation warrants and credit risk mitigation contracts, and credit default swaps.

Fees	:	<p>A fixed management fee is charged on the asset under management of the plan at the rate of 0.1% per annum.</p> <p>A custodian fee is charged on the asset under management of the plan at the rate of 0.01% per annum.</p> <p>An investment advisory fee is charged on the asset under management of the plan at the rate of 0.03% per annum.</p> <p>In addition, a performance fee is charged on the return of the plan (if any) at a rate which ranges from 2.5% per annum to 7.5% per annum determined with reference to the performance of the plan.</p>
Early warning and stop-loss mechanism	:	<p>The initial net value per unit of the plan is RMB1.0000/unit. The early warning value is set at RMB0.97/unit, whereas the stop-loss value is set at RMB0.95/unit.</p> <p>If the net value per unit is equal to or below the early warning value, the asset manager should notify the investors before 12:00 noon on the next trading day, and should also cease all purchasing operations of the plan, until the net value per unit is above the early warning value.</p> <p>If the net value per unit is equal to or below the stop-loss value, the asset manager should irreversibly monetize all the non-cash assets held under the plan until the plan is fully monetized. Thereafter, the plan shall be early terminated and liquidation procedures shall commence.</p>
Income distribution	:	<p>Income distribution (if any) shall be made on the first day of each open period of the plan, which is the benchmark date for determining the income distribution.</p> <p>If the net value per unit (after taking into account the performance fee but before income distribution) on the relevant benchmark date is not higher than RMB1.0000/unit, no income distribution will be made.</p> <p>If the net value of the unit (after taking into account the performance fee but before income distribution) is higher than RMB1.0000/unit, the excess portion shall be distributed, i.e. the net value per unit of the plan will be RMB1.0000/unit after such distribution.</p>

REASONS FOR AND BENEFITS OF ENTERING INTO THE CITIC WEALTH MANAGEMENT AGREEMENTS

Given that the subscriptions of wealth management products enable Lisheng Pharmaceutical to earn an attractive rate of return than demand deposits or time deposits generally offered by commercial banks, the investment return in connection with the subscriptions of the wealth management products would increase the Group's earnings. The subscriptions of wealth management products were made for treasury management purpose to provide with a better return on the idle funds of Lisheng Pharmaceutical and were conducted on the premises that such investments would not affect its working capital or its business operations. As the underlying products of the wealth management products are considered to have relatively low risk, the entering into the wealth management products agreements are in line with the internal risk management, treasury management and investment policies of the Group.

The Directors are of the view that the terms and conditions of each of the CITIC Wealth Management Agreements are based on normal commercial terms and are fair and reasonable and the transactions contemplated thereunder are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the subscription amount under the Second CITIC Wealth Management Agreement, whether on a standalone basis or when aggregated with the First CITIC Wealth Management Agreement, exceeds 5% but is less than 25%, the transactions contemplated under the CITIC Wealth Management Agreements constitute discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

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 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.

Lisheng Pharmaceutical and its subsidiaries are principally engaged in the manufacturing and sale of chemical drugs in the PRC. As at the date of this announcement, the Company has an effective interest of approximately 34.41% of the issued share capital of Lisheng Pharmaceutical.

CITIC Securities is principally engaged in investment banking, wealth management, asset management, financial markets and other related financial services. To the best knowledge, information and belief of the Directors, CITIC Securities and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

China Capital is principally engaged in asset management, engaging in asset management business for specific clients, and other businesses permitted by the China Securities Regulatory Commission. It is an indirect non wholly-owned subsidiary of CITIC Securities. To the best knowledge, information and belief of the Directors, China Capital and its ultimate beneficial owners 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:

“Board”	the board of Directors
“China Capital”	China Capital Management Co., Ltd. (華夏資本管理有限公司), a limited liability company incorporated in the PRC
“CITIC Securities”	CITIC Securities Company Limited (中信証券股份有限公司), a joint stock company incorporated in the PRC, whose H Shares and A Shares are listed on the Stock Exchange and the Shanghai Stock Exchange respectively
“CITIC Wealth Management Agreements”	collectively, the First CITIC Wealth Management Agreement and the Second CITIC Wealth Management Agreement
“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)
“Directors”	the directors of the Company
“First CITIC Wealth Management Agreement”	the wealth management agreement entered into between Lisheng Pharmaceutical and CITIC Securities dated 28 June 2022 as described in the section headed “ <i>First CITIC Wealth Management Agreement</i> ” in this announcement
“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
“Lisheng Pharmaceutical”	Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生製藥股份有限公司), a joint stock limited company established under the laws of the PRC and is listed on the A Shares Market of the Shenzhen Stock Exchange (Stock Code: 002393), and an indirect non 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)
“RMB”	Renminbi, the lawful currency of the PRC
“Second CITIC Wealth Management Agreement”	the wealth management agreement entered into between Lisheng Pharmaceutical, China Capital and CITIC Securities dated 8 August 2022 as described in the section headed “ <i>Second CITIC Wealth Management Agreement</i> ” in this announcement
“Shareholder(s)”	holder(s) of share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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, RMB has been converted to HK\$ at the rate of RMB0.857 = HK\$1.00 for illustration purpose only. No representation is made that any amounts in RMB 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 Gang
Chairman and Executive Director

Hong Kong, 8 August 2022

As at the date of this announcement, the Board of the Company consists of Mr. Wang Gang, 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*