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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)**

## **CONNECTED TRANSACTION**

### **SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

#### **WEALTH MANAGEMENT AGREEMENT**

On 1 August 2023, Lisheng Pharmaceutical entered into the Wealth Management Agreement with Bohai Huijin Securities to subscribe for a wealth management product in the subscription amount of RMB20,000,000 (equivalent to approximately HK\$21,739,130).

#### **LISTING RULES IMPLICATIONS**

Bohai Huijin Securities is a wholly-owned subsidiary of BHSC. As at the date of this announcement, TEDA Holding, the controlling Shareholder, which indirectly holds approximately 62.81% of the total issued shares of the Company, through certain of its subsidiaries including Tianjin Bohai, holds approximately 46.37% of the equity interest in BHSC. Bohai Huijin Securities is therefore an associate of TEDA Holding and a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Subscription exceeds 0.1% but is less than 5%, the Subscription is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the circular, independent financial advice and independent shareholders' approval requirements.

#### **WEALTH MANAGEMENT AGREEMENT**

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

Parties	:	(i) Lisheng Pharmaceutical (as subscriber); (ii) Bohai Huijin Securities (as fund manager); and (iii) BOC (as fund trustee)
Term of investment	:	Non-fixed term
Name of the wealth management product	:	Bohai Huijin Huitianjin Monetary Market Fund (渤海滙金滙添金貨幣市場基金) (with Bohai Huijin Huitianjin Monetary Fund (渤海滙金滙添金貨幣) A and B as its 2 subordinate funds)
Number of units to be subscribed:	:	20,000,000 units of RMB1.00 each in Bohai Huijin Huitianjin Monetary Fund B
Subscription amount	:	RMB20,000,000
Type of fund	:	Open-ended fund
Risk rating of the product	:	Low risk
Investment scope	:	<p>The fund invests in financial instruments that are permitted for investment by laws, regulations and regulatory authorities, including:</p> <ol style="list-style-type: none"><li>(1) Cash;</li><li>(2) Bank deposits, bond repurchases, central bank notes, and interbank deposits with a term of within 1 year (including 1 year);</li><li>(3) Bonds, debt financing instruments of non-financial enterprise and asset-backed securities with a remaining term of within 397 days (including 397 days); and</li><li>(4) Other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.</li></ol> <p>If the relevant laws, regulations or regulatory authorities allow the fund to invest in other varieties of financial instruments in the future, the fund manager may include them in the investment scope after fulfilling appropriate procedures.</p>
Expected rate of return	:	The fund is a money market fund with both its long-term average risk and expected return lower than those of equity funds, hybrid funds and bond funds. The basis of performance comparison is the RMB demand deposit interest rate (after tax). As at 30 June 2023, the annualised rate of net return was 2.33%.

Operation fees : A management fee is charged on the asset under the management of the fund at the rate of 0.30% per annum.

A custodian fee is charged on the asset under the management of the fund at the rate of 0.10% per annum.

A sales service fee is charged on the asset under the management of the fund with respect to Bohai Huijin Huitianjin Monetary Market Fund (渤海滙金滙添金貨幣) A and B at the rate of 0.25% and 0.01% per annum respectively.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE WEALTH MANAGEMENT AGREEMENT**

Given that the Subscription will enable Lisheng Pharmaceutical to earn a relatively higher rate of return than those of demand deposits or short-term time deposits generally offered by the commercial banks in the PRC, the investment return in connection with the Subscription would increase the Group's earnings. The Subscription is made for treasury management purpose to provide a better return on the idle funds of Lisheng Pharmaceutical and is conducted on the premises that such investment would not affect the working capital or business operations of the Group. As the underlying products of the Subscription are considered to have relatively low risks, the entering into of the Wealth Management Agreement is in line with the internal risk management, treasury management and investment policies of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Wealth Management Agreement are fair and reasonable, the Subscription is conducted on normal commercial terms and in the ordinary course of business of the Group, and is in the best interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Wealth Management Agreement and the Subscription. For good corporate governance practices, Mr. Wang Gang, being a Director who is also the chairman of Tianjin Bohai and holds executive positions in TEDA Holding, and Mr. Teng Fei, being a Director who is also the general manager of Tianjin Bohai and a director of Lisheng Pharmaceutical, as well as Mr. Sun Lijun, being a Director who is also a supervisor of Tianjin Bohai, have voluntarily abstained from voting on the Board resolution(s) approving the entering into of the Wealth Management Agreement and the Subscription.

## **LISTING RULES IMPLICATIONS**

Bohai Huijin Securities is a wholly-owned subsidiary of BHSC. As at the date of this announcement, TEDA Holding, the controlling Shareholder, which indirectly holds a total of 673,759,143 shares of the Company, representing approximately 62.81% of the total issued shares of the Company, through certain of its subsidiaries including Tianjin Bohai, holds approximately 46.37% of the equity interest in BHSC. Bohai Huijin Securities is therefore an associate of TEDA Holding and a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Subscription exceeds 0.1% but is less than 5%, the Subscription is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the circular, independent financial advice and independent shareholders' approval requirements.

## **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 34.12% of the issued share capital of Lisheng Pharmaceutical.

Bohai Huijin Securities is principally engaged in securities assets management and publicly-offered securities investment fund management businesses.

BOC is a licensed bank in the PRC and a joint stock company established in the PRC with limited liability. BOC and its subsidiaries are principally engaged in commercial banking, which primarily consists of corporate banking, personal banking and treasury operations, as well as investment banking and insurance. BOC is listed on the Stock Exchange (Stock Code: 3988) and the Shanghai Stock Exchange (Stock Code: 601988).

## **DEFINITIONS**

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

“BHSC”	Bohai Securities Co., Ltd. (渤海證券股份有限公司), a company established under the laws of the PRC with limited liability and is owned as to approximately 46.37% by certain subsidiaries of TEDA Holding including Tianjin Bohai
“Board”	the board of Directors of the Company
“Bohai Huijin Securities”	Bohai Huijin Securities Asset Management Co., Ltd. (渤海滙金證券資產管理有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of BHSC

“BOC”	Bank of China Limited (中國銀行股份有限公司), a joint stock limited liability company established under the laws of the PRC, and the H shares of which are listed on the Stock Exchange (Stock Code: 3988) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601988)
“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
“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
“Shareholder(s)”	holder(s) of share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the wealth management product pursuant to the Wealth Management Agreement by Lisheng Pharmaceutical
“TEDA Holding”	Tianjin TEDA Investment Holding Co., Ltd. (天津泰達投資控股有限公司), a state-owned enterprise established in the PRC which is indirectly wholly-owned by the Tianjin Municipal People’s Government of the PRC and is an intermediate controlling Shareholder

“Tianjin Bohai”	Tianjin Bohai State-owned Assets Management Co., Ltd. (天津渤海國有資產經營管理有限公司), a state-owned enterprise established in the PRC which is indirectly non-wholly owned by TEDA Holding and is an intermediate controlling Shareholder
“Wealth Management Agreement”	the wealth management agreement entered into between Lisheng Pharmaceutical and Bohai Huijin Securities dated 1 August 2023 as described in the section headed “ <i>Wealth Management Agreement</i> ” in this announcement
“%”	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 RMB0.92 = 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, 1 August 2023

*As at the date of this announcement, the Board of the Company consists of Mr. Wang Gang, Dr. Li Xiaoguang, Mr. Teng Fei, Mr. Sun Lijun\*, Ms. Ng Yi Kum, Estella\*\*, Mr. Wong Shiu Hoi, Peter\*\*, Mr. Lau Ka Keung\*\* and Mr. Sin Hendrick\*\*.*

\* *non-executive Director*

\*\* *independent non-executive Director*