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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)

**COMPLETION OF
CHANGE OF SHAREHOLDING STRUCTURE OF
INTERMEDIATE CONTROLLING SHAREHOLDER
OF THE COMPANY
AND
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 30 October 2020 in relation to the proposed change of shareholding structure of immediate controlling Shareholder.

The Company has been informed by Tianjin Bohai that an aggregate 6.66% shareholding interest in TEDA Holding indirectly held by Tianjin Finance Bureau was transferred to Tianjin SASAC at nil consideration and thereafter, TEDA Holding became a wholly-owned subsidiary of Tianjin SASAC. In addition, the transfer of 100% shareholding interest in Tsinlien Investment Holdings by Tianjin SASAC to TEDA Holding at nil consideration has been completed on 28 April 2021. Accordingly, TEDA Holding became an intermediate controlling Shareholder and therefore a connected person of the Company as defined under the Listing Rules, and members of the TEDA Holding Group also became connected persons of the Company by virtue of their being associates of TEDA Holding.

Prior to completion of the Proposed Integration, members of the TEDA Holding Group had entered into various continuing transactions, including transactions contemplated under the Water Transmission Pipeline Lease Agreement, the Heat and Power Network and Facilities Lease Agreement, the Tianjin TEDA Energy Development Steam Purchase Agreement and the Guohua Energy Development Steam Purchase Agreement, with members of the Group in their respective ordinary and usual course of business. These transactions became continuing connected transactions of the Company as a result of completion of the Proposed Integration.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements including publishing an announcement and annual reporting if the Group continues to conduct the transactions under the Water Transmission Pipeline Lease Agreement, the Heat and Power Network and Facilities Lease Agreement, the Tianjin TEDA Energy Development Steam Purchase Agreement and the Guohua Energy Development Steam Purchase Agreement. In the event that any of the agreements is renewed or its terms are varied, the Company will comply with all connected transaction requirements under Chapter 14A of the Listing Rules.

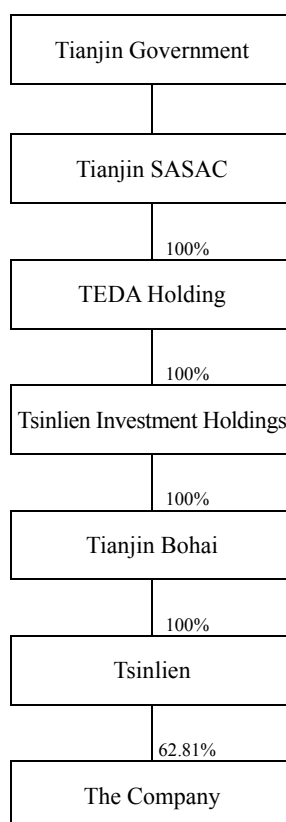
COMPLETION OF CHANGE OF SHAREHOLDING STRUCTURE OF INTERMEDIATE CONTROLLING SHAREHOLDER

Reference is made to the announcement of the Company dated 30 October 2020 in relation to the proposed change of shareholding structure of intermediate controlling Shareholder.

The Company has been informed by Tianjin Bohai, an indirect controlling Shareholder, that an aggregate 6.66% shareholding interest in TEDA Holding held by Tianjin State-owned Assets Operation Co., Ltd. (天津市國有資產經營有限責任公司) and Tianjin Finance Investment Management Centre (天津市財政投資管理中心), both being wholly-owned subsidiaries of Tianjin Finance Bureau, was transferred to Tianjin SASAC at nil consideration and thereafter, TEDA Holding became a wholly-owned subsidiary of Tianjin SASAC. In addition, the transfer of 100% shareholding interest in Tsinlien Investment Holdings by Tianjin SASAC to TEDA Holding at nil consideration has been completed on 28 April 2021. Accordingly, TEDA Holding became an intermediate controlling Shareholder and therefore a connected person of the Company as defined under the Listing Rules, and members of the TEDA Holding Group also became connected persons of the Company by virtue of their being associates of TEDA Holding.

TEDA Holding had previously applied for, and the SFC had granted, a waiver pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code of the obligation of TEDA Holding to make a general offer for all the shares of the Company arising as a result of the Proposed Integration.

The simplified shareholding structures of Tsinlien Investment Holdings and the Company as at the date of this announcement is set out below:



CONTINUING CONNECTED TRANSACTIONS

Prior to completion of the Proposed Integration, members of the TEDA Holding Group had entered into various continuing transactions, including transactions contemplated under the Water Transmission Pipeline Lease Agreement, the Heat and Power Network and Facilities Lease Agreement, the Tianjin TEDA Energy Development Steam Purchase Agreement and the Guohua Energy Development Steam Purchase Agreement, with members of the Group in their respective ordinary and usual course of business. These transactions became continuing connected transactions of the Company as a result of completion of the Proposed Integration. Details of these transactions are set out below in compliance with Rule 14A.60 of the Listing Rules:

Water Transmission Pipeline Lease Agreement

Details of the Water Transmission Pipeline Lease Agreement are summarised as follows:

Date	:	1 January 2016 (as amended by the supplemental agreement dated 4 December 2020)
Parties	:	(1) Tianjin TEDA Tsinlien Water Supply, a subsidiary of the Company (as lessee); and (2) Tianjin TEDA Water Industry, a wholly-owned subsidiary of TEDA Holding (as lessor)
Term	:	From 1 January 2016 to 31 December 2021
Nature of transactions	:	Tianjin TEDA Water Industry to let water transmission pipelines to Tianjin TEDA Tsinlien Water Supply continuously for use in its operation.
Price determination	:	The monthly leasing fee shall be calculated based on 115% of the monthly depreciation charges of the relevant pipelines plus the relevant loan interest payable in relation to the water transmission pipelines incurred by Tianjin TEDA Water Industry, and payable in cash yearly in arrears before 31 March of the following year.

The leasing fees were determined after arm's length negotiations between the parties with reference to the depreciation charge and the costs of repair and maintenance of the relevant water transmission pipelines for the relevant year.

Heat and Power Network and Facilities Lease Agreement

Details of the Heat and Power Network and Facilities Lease Agreement are summarised as follows:

Date	:	1 December 2012 (as amended by the supplemental agreement dated 4 December 2020)
Parties	:	(1) Tianjin TEDA Tsinlien Heat & Power, a subsidiary of the Company (as lessee); and (2) Tianjin TEDA Heat & Power Energy Management, a wholly-owned subsidiary of TEDA Holding (as lessor)
Term	:	From the date of the Heat and Power Network and Facilities Lease Agreement to 31 December 2021
Nature of transactions	:	Tianjin TEDA Heat & Power Energy Management to let its heat and power networks and related facilities to Tianjin TEDA Tsinlien Heat & Power continuously for use in its operation.
Price determination	:	The monthly leasing fee shall be calculated based on 115% of the total monthly depreciation charges of the relevant heat and power networks and related facilities incurred by Tianjin TEDA Heat & Power Energy Management, and payable in cash yearly in arrears before the end of the third month of the following year. The leasing fees were determined after arm's length negotiations between the parties with reference to the depreciation charge and the costs of repair and maintenance of the relevant heat and power networks and related facilities for the relevant year.

Tianjin TEDA Energy Development Steam Purchase Agreement

Details of the Tianjin TEDA Energy Development Steam Purchase Agreement are summarised as follows:

Date	:	31 December 2020 (as amended by the supplemental agreement dated 31 March 2021)
Parties	:	(1) Tianjin TEDA Energy Development, a wholly-owned subsidiary of TEDA Holding (as supplier); and (2) Tianjin TEDA Tsinlien Heat & Power, a subsidiary of the Company (as purchaser)
Term	:	From 1 January 2021 to 31 December 2021, renewable automatically for one year unless otherwise agreed between the parties 30 days before the end of the term
Nature of transactions	:	Tianjin TEDA Energy Development to provide steam and heat power to Tianjin TEDA Tsinlien Heat & Power from time to time during the valid term.
Price determination	:	The price of gas-fired steam shall be RMB299.75 per tonne (including tax). The price of coal-fired steam shall be RMB189.66 per tonne (including tax).

The price payable for steam shall be the quantity of gas supplied (by tonne) multiplied by the price of the relevant type of steam, and is payable in cash monthly in arrears before the 15th day of the following month.

The pricing terms were determined after arm's length negotiations between the parties with reference to the government guidance pricing policy, the qualities of the goods (which shall be in compliance with the standard specified in the Tianjin TEDA Energy Development Steam Purchase Agreement) and the rate of return of capital. The current government guidance pricing policy is based on the Energy Products Subsidy Plan in TEDA (天津開發區能源產品補貼方案) issued by the TEDA Finance Bureau.

Guohua Energy Development Steam Purchase Agreement

Details of the Guohua Energy Development Steam Purchase Agreement are summarised as follows:

Date	:	31 December 2020 (as amended by the supplemental agreement dated 31 March 2021)
Parties	:	(1) Guohua Energy Development, a wholly-owned subsidiary of TEDA Holding (as supplier); and (2) Tianjin TEDA Tsinlien Heat & Power, a subsidiary of the Company (as purchaser)
Term	:	From 1 January 2021 to 31 December 2021, renewable automatically for one year unless otherwise agreed between the parties 30 days before the end of the term
Nature of transactions	:	Guohua Energy Development to provide steam and heat power to Tianjin TEDA Tsinlien Heat & Power from time to time during the valid term.
Price determination	:	The price of gas-fired steam shall be RMB299.75 per tonne (including tax). The price of coal-fired steam shall be RMB189.66 per tonne (including tax).

The price payable for steam shall be the quantity of gas supplied (by tonne) multiplied by the price of the relevant type of steam, and is payable in cash monthly in arrears before the 15th day of the following month.

The pricing terms were determined after arm's length negotiations between the parties with reference to the government guidance pricing policy, the qualities of the goods (which shall be in compliance with the standard specified in the Guohua Energy Development Steam Purchase Agreement) and the rate of return of capital. The current government guidance pricing policy is based on the Energy Products Subsidy Plan in TEDA (天津開發區能源產品補貼方案) issued by the TEDA Finance Bureau.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

As the Group's utility businesses are mainly operated in TEDA through supplying water, heat and thermal power to industrial and commercial as well as residential customers, the Group requires a stable supply chain for the distribution of steam and endeavours to ensure its transmission and distribution system reliably and efficiently conveys the utilities to customers. The entering into of the Water Transmission Pipeline Lease Agreement, the Heat and Power Network and Facilities Lease Agreement, the Tianjin TEDA Energy Development Steam Purchase Agreement and the Guohua Energy Development Steam Purchase Agreement is essential for the efficient and continuous operation for the Group's utilities businesses.

The Directors (including the independent non-executive Directors) consider that the Water Transmission Pipeline Lease Agreement, the Heat and Power Network and Facilities Lease Agreement, the Tianjin TEDA Energy Development Steam Purchase Agreement and the Guohua Energy Development Steam Purchase Agreement and the transactions contemplated thereunder were entered into and carried out in the ordinary and usual course of business of the Group on normal commercial terms, and that the terms of such transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Following completion of the Proposed Integration, TEDA Holding became an intermediate 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, TEDA Holding and its subsidiaries are therefore connected persons of the Company under the Listing Rules.

Accordingly, the existing continuing transactions between members of the TEDA Holding Group and members of the Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements including publishing an announcement and annual reporting if the Group continues to conduct the transactions under the Water Transmission Pipeline Lease Agreement, the Heat and Power Network and Facilities Lease Agreement, the Tianjin TEDA Energy Development Steam Purchase Agreement and the Guohua Energy Development Steam Purchase Agreement. In the event that any of the agreements is renewed or its terms are varied, the Company will comply with all connected transaction requirements under Chapter 14A of the Listing Rules.

As none of the Directors had a material interest in the transactions contemplated under the Water Transmission Pipeline Lease Agreement, the Heat and Power Network and Facilities Lease Agreement, the Tianjin TEDA Energy Development Steam Purchase Agreement and the Guohua Energy Development Steam Purchase Agreement no Director abstained from voting on the relevant Board resolution.

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 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.

TEDA Holding, the controlling Shareholder, is a state-owned enterprise established in the PRC which principally engages in regional development, public utilities, finance and modern services. Tianjin TEDA Water Industry, Tianjin TEDA Heat & Power Energy Management, Tianjin TEDA Energy Development and Guohua Energy Development, all subsidiaries of TEDA Holding, principally engage in the supply of water, heat and power and steam and power respectively.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“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 of Hong Kong Limited (Stock Code: 882)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guohua Energy Development”	Guohua Energy Development (Tianjin) Co., Ltd. (國華能源發展(天津)有限公司), a state-owned enterprise established in the PRC which is indirectly wholly-owned by the Tianjin Government and is a wholly-owned subsidiary of TEDA Holding
“Guohua Energy Development Steam Purchase Agreement”	the agreement dated 31 December 2020 entered into between Guohua Energy Development (as supplier) and Tianjin TEDA Tsinlien Heat & Power (as purchaser), as amended by a supplemental agreement dated 31 March 2021, in relation to the provision of steam and heat power for the term of one year from 1 January 2021 to 31 December 2021
“Heat and Power Network and Facilities Lease Agreement”	the agreement dated 1 December 2012 entered into between Tianjin TEDA Tsinlien Heat & Power (as lessee) and Tianjin TEDA Heat & Power Energy Management (as lessor), as amended by a supplemental agreement dated 4 December 2020, in relation to the lease of heat and power networks and related facilities from the date of the Heat and Power Network and Facilities Lease Agreement to 31 December 2021
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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)

“Proposed Integration”	an internal integration between Tsinlien Investment Holdings and TEDA Holding, which includes (i) the transfer of an aggregate 6.66% shareholding interest in TEDA Holding by Tianjin State-owned Assets Operation Co., Ltd. (天津市國有資產經營有限責任公司) and Tianjin Finance Investment Management Centre (天津市財政投資管理中心) to Tianjin SASAC at nil consideration and (ii) the transfer of 100% shareholding interest in Tsinlien Investment Holdings by Tianjin SASAC to TEDA Holding at nil consideration
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of shares in the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“TEDA”	Tianjin Economic and Technological Development Area (天津經濟技術開發區)
“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 Government and is an intermediate controlling Shareholder
“TEDA Holding Group”	TEDA Holding and its subsidiaries
“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 wholly-owned by the Tianjin Government and is an intermediate controlling Shareholder
“Tianjin Government”	the Tianjin Municipal People’s Government of the PRC
“Tianjin SASAC”	the State-owned Assets Supervision and Administration Commission of the Tianjin Government (天津市人民政府國有資產監督管理委員會)
“Tianjin TEDA Energy Development”	Tianjin TEDA Energy Development Co., Ltd. (天津泰達能源發展有限責任公司), a state-owned enterprise established in the PRC which is indirectly wholly-owned by the Tianjin Government and is a subsidiary of TEDA Holding
“Tianjin TEDA Heat & Power Energy Management”	Tianjin TEDA Heat & Power Energy Management Co., Ltd. (天津泰達熱電能源管理有限公司), a state-owned enterprise established in the PRC which is indirectly wholly-owned by the Tianjin Government and is a wholly-owned subsidiary of TEDA Holding
“Tianjin TEDA Tsinlien Heat & Power”	Tianjin TEDA Tsinlien Heat & Power Co., Ltd. (天津泰達津聯熱電有限公司), a company established in the PRC and a subsidiary of the Company

“Tianjin TEDA Energy Development Steam Purchase Agreement”	the agreement dated 31 December 2020 entered into between Tianjin TEDA Energy Development (as supplier) and Tianjin TEDA Tsinlien Heat & Power (as purchaser), as amended by a supplemental agreement dated 31 March 2021, in relation to the provision of steam and heat power for the term of one year from 1 January 2021 to 31 December 2021
“Tianjin TEDA Tsinlien Water Supply”	Tianjin TEDA Tsinlien Water Supply Co., Ltd. (天津泰達津聯自來水有限公司), a company established in the PRC and a subsidiary of the Company
“Tianjin TEDA Water Industry”	Tianjin TEDA Water Industry Co., Ltd. (天津泰達水業有限公司), a state-owned enterprise established in the PRC which is indirectly wholly-owned by the Tianjin Government and is a wholly-owned subsidiary of TEDA Holding
“Tsinlien”	Tsinlien Group Company Limited (津聯集團有限公司), a company incorporated in Hong Kong with limited liability which is indirectly wholly-owned by the Tianjin Government and is the direct controlling Shareholder
“Tsinlien Investment Holdings”	Tianjin Tsinlien Investment Holdings Co., Ltd. (天津津聯投資控股有限公司), a state-owned enterprise established in the PRC which is indirectly wholly-owned by the Tianjin Government and is an intermediate controlling Shareholder
“Water Transmission Pipeline Lease Agreement”	the agreement dated 1 January 2016 entered into between Tianjin TEDA Tsinlien Water Supply (as lessee) and Tianjin TEDA Water Industry (as lessor), as amended by a supplemental agreement dated 4 December 2020, in relation to the lease of water transmission pipelines for the term of six years from 1 January 2016 to 31 December 2021

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.

By Order of the Board
Tianjin Development Holdings Limited
Chen Yanhua
Executive Director and General Manager

Hong Kong, 30 April 2021

As at the date of this announcement, the Board of the Company consists of Mr. Zhang Bingjun, 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*