
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Tian Shan Development (Holding) Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy 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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Tian Shan Development (Holding) Limited
天山發展(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2118)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 4 to 14 of this circular.

A notice dated 30 April 2021 convening an annual general meeting of the Company to be held at Meeting Room, 6th Floor, No. 109 Tianshan Avenue, Shijiazhuang Hi-Tech Industry Development Zone, Shijiazhuang, Hebei Province, the PRC on Tuesday, 1 June 2021 at 10:00 a.m. is set out on pages 15 to 20 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time fixed for holding the annual general meeting (or any adjournment thereof) to the office of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting and any adjourned meeting if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 1 of this document for measures being taken to try to prevent and control the spread of the Novel Coronavirus (COVID-19) at the annual general meeting, including:

- i. compulsory temperature checks
- ii. compulsory wearing of surgical face masks
- iii. no distribution of refreshments, drinks and souvenirs

Any person who does not comply with the precautionary measures or is subject to any government prescribed quarantine may be denied entry into the annual general meeting venue.

The Company also encourages its shareholders to consider appointing the chairman of the annual general meeting as his/her proxy to vote on the relevant resolutions at the annual general meeting as an alternative to attending the annual general meeting in person.

30 April 2021

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The health of Shareholders, staff and stakeholders is of paramount importance to the Company. In view of the ongoing coronavirus disease (COVID-19), the Company will implement the following precautionary measures at the annual general meeting which will be held on Tuesday, 1 June 2021 at 10:00 a.m. at Meeting Room, 6th Floor, No. 109 Tianshan Avenue, Shijiazhuang Hi-Tech Industry Development Zone, Shijiazhuang, Hebei Province, the PRC to protect attending Shareholders, staff and stakeholders from the risk of infection:

- i. Mandatory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.3 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- ii. Each attendee is mandatorily required to prepare his/her own surgical face mask and wear the surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- iii. No food and beverage will be served and there will be no distribution of corporate gifts.

To the extent permitted under the applicable laws, the Company reserves the right to deny any person entry into the venue or require any person to leave the venue in order to ensure the safety of the attendees at the annual general meeting.

Subject to the development of COVID-19, the Company may implement further precautionary measures as and when appropriate.

In addition, the Company wishes to advise all Shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and returning the proxy form.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened on Tuesday, 1 June 2021 at 10:00 a.m. at Meeting Room, 6th Floor, No. 109 Tianshan Avenue, Shijiazhuang Hi-Tech Industry Development Zone, Shijiazhuang, Hebei Province, the PRC or any adjournment thereof;
“Articles of Association”	the articles of association of the Company;
“associate(s)”	has the meaning ascribed to this term under the Listing Rules;
“Board”	the board of Directors;
“Company”	Tian Shan Development (Holding) Limited 天山發展(控股)有限公司, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Stock Exchange;
“Directors”	directors of the Company;
“General Mandates”	the Issue Mandate and the Repurchase Mandate;
“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;
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue, allot and deal with up to 20% of the issued share capital of the Company as set out in the paragraph headed “Letter from the Board – General Mandates” of this circular;

DEFINITIONS

“Latest Practicable Date”	26 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as set out in the paragraph headed “Letter from the Board – General Mandates” of this circular;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the shareholders of the Company from time to time; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

LETTER FROM THE BOARD



Tian Shan Development (Holding) Limited
天山發展(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2118)

Executive directors:

Mr. WU Zhen Shan (*Chairman*)

Mr. WU Zhen Ling

Mr. ZHANG Zhen Hai

Independent non-executive directors:

Mr. TIAN Chong Hou

Mr. WANG Ping

Mr. CHEUNG Ying Kwan

Registered office:

Windward 3, Regatta Office Park

P.O. Box 1350, Grand Cayman

KY1-1108

Cayman Islands

*Head office and principal place
of business:*

Suite 801, 8th Floor

Everbright Centre

108 Gloucester Road

Wanchai

Hong Kong

30 April 2021

To Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to (i) the granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the Shares in the issued share capital of the Company as at the date of resolution; (ii) the granting to the Directors a general mandate to repurchase the Shares not exceeding 10% of the Shares in the issued share capital of the Company as at the date of resolution; and (iii) the re-election of retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATES

At the AGM, separate ordinary resolutions will be proposed to grant the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of such resolution (the “**Issue Mandate**”); (ii) to repurchase issued and fully paid Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such resolution (the “**Repurchase Mandate**”); and (iii) to add the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate to the Issue Mandate.

As at the Latest Practicable Date, there were in aggregate 1,005,881,955 Shares in issue. Subject to the passing of the proposed resolutions for the grant of the Issue Mandate and the Repurchase Mandate, and on the basis that no further Shares will be issued or repurchased prior to the date of the AGM, exercise in full of the Repurchase Mandate will result in up to 100,588,195 Shares being repurchased by the Company, and the Directors will be authorised to allot and issue under the Issue Mandate up to 201,176,391 Shares, and to the extent the Repurchase Mandate is exercised, plus the amount of Shares representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate shall continue in force during the period ending on the earliest of (a) the date of the next annual general meeting; (b) the date by which the next annual general meeting of the Company is required to be held by law or by its Articles of Association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in the Appendix to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 108 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Accordingly, the Directors retiring by rotation at the AGM are WU Zhen Shan, WU Zhen Ling and ZHANG Zhen Hai, who being eligible, offer themselves for re-election at the forthcoming AGM.

The biographical details of all the retiring Directors to be re-elected at the AGM are as follows:

Executive Directors

Mr. WU Zhen Shan (吳振山), aged 64, is one of the founders of the Group. Mr. WU is the Chairman of the Group and was appointed as an executive Director on 10 June 2005. Mr. WU is responsible for the development strategies, investment plans and human resources of the Company. Mr. WU is also a member of the remuneration committee and the chairman of the nomination committee of the Board. In October 2000, Mr. WU, based on his experience in the industry, completed a two-year part-time master course and obtained the Certificate in Economic Management issued by Hebei University of Agriculture. Mr. WU has approximately 40 years of experience in the construction industry and approximately 20 years of experience in the property development industry. In 1980, Mr. WU together with Mr. ZHANG Zhen Hai established and worked in the Liucun Shengli Construction Team, the principal business of which was construction of civil engineering projects for domestic and industrial uses, until 1993. In 1993, Mr. WU together with the other founders established and worked in Zhengding Dishu Construction and Engineering Company, which engaged in undertaking construction works until 1995. In 1995, Mr. WU together with other founders established and worked in Shijiazhuang Hi-tech Industry Development Zone Diyi Construction and Engineering Company, which engaged in the construction and installation services of civil engineering projects for domestic and industrial uses until 2000, when Mr. WU together with other founders established and worked in Tianshan Construction. In March 1987, Mr. WU was conferred the qualification of technician in construction by Zhengding Committee of Science and Technology. Mr. WU was accredited as a

LETTER FROM THE BOARD

senior engineer of construction in October 1998 and a senior economist in November 2002 by The Title Reform Leading Group Office of Hebei Province. The accreditation of senior engineer of construction indicates the person has gained a certain level of experience by participation in construction projects of recognised scales in accordance with the State's requirements. The accreditation of senior economist indicates the person has participated in the operation and management of enterprises of certain scales in accordance with the State's requirements. Mr. WU serves as the vice chairman of China Individual Labourers' Association, the vice chairman of China Real Estate Association, the vice chairman of Hebei Province Industry and Commerce Joint Association, the chairman of Hebei Province Immovable Property Association, the chairman of Private Enterprise Association of Hebei Province, the chairman of Hebei Enterprise Credit Promotion Association, the vice chairman of Shijiazhuang Industry and Commerce Joint Association, the president of the Association of Real Estate in Shijiazhuang and the chairman of Private Enterprise Association of Shijiazhuang. Mr. WU was awarded the honor of "Shijiazhuang Model Worker" by Shijiazhuang Municipal committee and Shijiazhuang Municipal People's government under the Communist Party of China in April 1998, and was awarded the honor of "Hebei Provincial Model Worker" by Hebei Provincial People's government in April 1999. In February 2003, Mr. WU was elected as a representative of the Tenth National People's Congress. In December 2004, Mr. WU was awarded the "National Outstanding Builders of the Socialism with Chinese Characteristic" by the United Front Work Department of CPC Central Committee, National Development and Reform Commission, National Ministry of Personnel, State Administration for Industry and Commerce and All China Federation of Industry and Commerce. In April 2006, Mr. WU received the award of "Hebei Outstanding Entrepreneur" from the Hebei Province Entrepreneur Association. In January 2008, Mr. WU was elected as a representative of the Eleventh Hebei People's Congress. In April 2009, Mr. WU was awarded the "National May 1 Labour Medal" by All China Federation of Industry and Commerce. In September 2009, Mr. WU was awarded the "10 Most Outstanding Entrepreneurs in China in 2009" by China Enterprise Press. In March 2013, Mr. WU was elected as a representative of the Twelfth National People's Congress. In May 2014, Mr. WU was awarded the honor of "National Outstanding Entrepreneur" by China Enterprise Confederation and China Enterprise Directors Association. In April 2015, Mr. WU was awarded the honor of "National Model Worker" by the Central Committee of the Communist Party of China and the State Council of the People's Republic of China. In January 2018, Mr. WU was elected as a representative of the Thirteenth Hebei Provincial People's Congress. Mr. WU Zhen Shan is the elder brother of Mr. WU Zhen Ling and the brother in law of Mr. ZHANG Zhen Hai.

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Mr. WU Zhen Ling (吳振嶺), aged 56, is one of the founders of the Group. Mr. WU is the Vice Chairman of the Group and was appointed as an executive Director on 10 June 2005. Mr. WU is responsible for the operation, production, planning, design and management of property projects. Mr. WU is also a member of the remuneration committee and the nomination committee of the Board. In October 2000, Mr. WU, based on his experience in the industry, completed a two-year part-time master course and obtained the Certificate in Economic Management issued by Hebei University of Agriculture. Mr. WU has approximately 35 years of experience in the construction industry and approximately 20 years of experience in the property development industry. In 1985, Mr. WU joined and worked in the Liucun Shengli Construction Team until 1993. In 1993, Mr. WU together with the other founders established and worked in Zhengding Dishu Construction and Engineering Company. In 1995, Mr. WU together with the other founders established and worked in Shijiazhuang Hi-tech Industry Development Zone Diyi Construction and Engineering Company until 2000, when Mr. WU together with the other founders established and worked in Tianshan Construction. Since 1998, Mr. WU has been focusing on the property development business and working with Tian Shan Real Estate. Mr. WU was accredited as a senior engineer in October 1998 by The Title Reform Leading Group Office of Hebei Province. In April 2010, Mr. WU was awarded the honor of “Shijiazhuang Model Worker” by Shijiazhuang Municipal committee and Shijiazhuang Municipal People’s government under the Communist Party of China. In April 2014, Mr. WU was awarded the honor of “Hebei Provincial Model Worker” by Hebei Provincial People’s government. Mr. WU currently serves as the vice chairman of the Quality Association of Hebei Province, the chairman of the Landscape Art Culture Association of Hebei Province and the chairman of the Price Association of Shijiazhuang. Mr. WU Zhen Ling is the younger brother of Mr. WU Zhen Shan and the brother-in-law of Mr. ZHANG Zhen Hai.

Mr. ZHANG Zhen Hai (張振海), aged 66, is one of the founders of the Group and was appointed as an executive Director on 10 June 2005. Mr. ZHANG is responsible for overseeing the procurement of construction materials. Mr. ZHANG is a tertiary graduate in construction from Shijiazhuang Public Officers’ Institute of Technology in December 2000 and was accredited as senior engineer in December 2003 by The Title Reform Leading Group Office of Hebei Province. Mr. ZHANG has approximately 40 years of experience in the construction industry and approximately 20 years of experience in the property development industry. In 1980, Mr. ZHANG together with Mr. WU Zhen Shan established and worked in Liucun Shengli Construction Team until 1993. In 1993, Mr. ZHANG together with the other founders established and worked in Zhengding Dishu Construction and Engineering Company. In 1995, Mr. ZHANG together with other founders established and worked in Shijiazhuang Hi-tech Industry Development Zone Diyi Construction and Engineering Company until 2000, when Mr. ZHANG together with the other founders established and worked in Tianshan Construction. Since 1998, Mr. ZHANG has been focusing on the property development business and working with Tian Shan Real Estate. Mr. ZHANG Zhen Hai is the brother-in-law of Mr. WU Zhen Shan and Mr. WU Zhen Ling.

LETTER FROM THE BOARD

Each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai and the Company entered into a service contract on 16 June 2010. The term of their respective appointment was for an initial term of 36 months commencing from 15 July 2010. Upon the expiry of such contracts, on 14 July 2019, the parties thereto agreed to renew the service contracts for a further term of 36 months commencing on 15 July 2019 on the same terms and conditions of the then existing service contracts. Such service contracts may be terminated by not less than three months' notice in writing served by either party on the other. Each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai is entitled to a basic remuneration and a bonus as determined by the Board based on the recommendations made by the remuneration committee of the Board. The emoluments of each of these Directors have been determined by the Board with reference to his experience, duties, responsibilities, the results of the Group as well as prevailing market conditions. For the year ended 31 December 2020, each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai received a remuneration plus bonus and other benefits of RMB2,400,000, RMB2,402,000 and RMB2,400,000, respectively.

As at the Latest Practicable Date, each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai was interested in the Shares as follows:

	Number and percentage of Shares
Mr. WU Zhen Shan	750,000,000 (74.56%) <i>(note)</i>
Mr. WU Zhen Ling	750,000,000 (74.56%) <i>(note)</i>
Mr. ZHANG Zhen Hai	750,000,000 (74.56%) <i>(note)</i>

Note: These Shares are held by Neway Enterprises Limited, a company incorporated in the British Virgin Islands and is owned as to 25% by Mr. WU Zhen Shan, 25% by Mr. WU Zhen Ling, 25% by Mr. ZHANG Zhen Hai. Since Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai exercise or control the exercise of one-third or more of the voting right of Neway Enterprises Limited, each of them is deemed to be interested in the Shares held by Neway Enterprises Limited by virtue of Part XV of the SFO.

LETTER FROM THE BOARD

Save as disclosed hereof, as at the Latest Practicable Date, and to the best knowledge and belief of the Board, the Directors confirmed that:

- (a) each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai is not connected with any Director, senior management, substantial Shareholder or controlling Shareholder of the Company;
- (b) each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai has no other interests in the Shares which are required to be disclosed under Part XV of the SFO;
- (c) each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai does not hold in the last three years any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas;
- (d) there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules; and
- (e) each of Mr. WU Zhen Shan, Mr. WU Zhen Ling and Mr. ZHANG Zhen Hai is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to his re-election.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 27 May 2021 to Tuesday, 1 June 2021 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 26 May 2021.

THE AGM, PROXY ARRANGEMENT AND DEMAND FOR POLL

A notice convening the AGM to be held on Tuesday, 1 June 2021, at 10:00 a.m. at Meeting Room, 6th Floor, No. 109 Tianshan Avenue, Shijiazhuang Hi-Tech Industry Development Zone, Shijiazhuang, Hebei Province, the PRC is set out on pages 15 to 20 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof) to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll.

The Directors are not aware of any Shareholders who are required to abstain from voting in the AGM. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under rule 13.39(5) of the Listing Rules.

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 Group. 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

The Directors consider that all the proposed resolutions at the AGM are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM in respect thereof.

Yours faithfully

By order of the Board

Tian Shan Development (Holding) Limited

WU Zhen Shan

Chairman

This Appendix serves as an explanatory statement given to all the Shareholders, as required by the Listing Rules, to provide all the requisite information in relation to the Repurchase Mandate. This explanatory statement also constitutes the memorandum required under Section 239 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

1. LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(a) Shareholders' approval

All proposed purchase of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by the shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to a specific transaction.

(b) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of its issued share capital at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company had 1,005,881,955 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 100,588,195 Shares being repurchased by the Company.

(c) Reason for repurchase

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or its earnings per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(d) Funds for repurchase

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its constitutive documents and the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

As compared with the financial position of the Company as at 31 December 2020 (being the date of its latest audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate was to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as it would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

(e) Connected parties

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders. As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) had notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

(f) Undertaking by Directors

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

(g) Takeovers Code

If as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**").

As at the Latest Practicable Date, the substantial Shareholders (as defined in the Listing Rules), together with their parties acting in concert and their respective associates, were beneficially interested in 750,000,000 Shares representing approximately 74.56% of the issued Shares. In the event that the Directors exercise the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interests of the substantial Shareholders, together with their respective associates, in the Company would be increased to approximately 82.85% of the issued shares, which will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

APPENDIX EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

(h) Public float

The Directors confirm that the Repurchase Mandate will not be exercised to an extent where the amount of Shares held by the public will be reduced below 25%.

2. SHARE PURCHASE MADE BY THE COMPANY

During six months preceding the date of this circular, no Shares have been repurchased by the Company.

3. SHARE PRICES

During the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Price Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2020		
April	3.16	2.78
May	3.17	2.87
June	3.18	2.93
July	3.21	3.02
August	3.19	2.96
September	3.21	2.96
October	3.05	2.76
November	2.87	2.61
December	2.99	2.24
2021		
January	2.90	2.51
February	2.93	0.82
March	2.80	1.90
April (up to the Latest Practicable Date)	2.18	1.94

NOTICE OF ANNUAL GENERAL MEETING



Tian Shan Development (Holding) Limited 天山發展(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2118)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Tian Shan Development (Holding) Limited (the “**Company**”) will be held on Tuesday, 1 June 2021, at 10:00 a.m. at Meeting Room, 6th Floor, No. 109 Tianshan Avenue, Shijiazhuang Hi-Tech Industry Development Zone, Shijiazhuang, Hebei Province, the PRC for the following purposes:

1. To receive and approve the audited consolidated financial statements, the reports of the directors of the Company (the “**Directors**”, each a “**Director**”) and independent auditor for the year ended 31 December 2020.
2. (A) To re-elect Mr. WU Zhen Shan as executive Director.

(B) To re-elect Mr. WU Zhen Ling as executive Director.

(C) To re-elect Mr. ZHANG Zhen Hai as executive Director.
3. To authorise the board of Directors to fix the remuneration of the Directors.
4. To re-appoint KPMG as auditor of the Company and to authorise the board of Directors to fix the remuneration of the auditor.

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SPECIAL BUSINESS

5. As special business to consider and, if thought fit, pass with or without modifications, each of the following resolutions as an ordinary resolution of the Company:

ORDINARY RESOLUTIONS

(A) “**THAT**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as amended from time to time) (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said approval shall be limited accordingly;

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(d) the Company may not issue securities convertible into shares of the Company for cash consideration unless the initial conversion price is not lower than the Benchmarked Price (as defined below) of the shares of the Company at the time of the relevant placing, and the Company may not issue warrants, options or similar rights to subscribe for (i) any new shares of the Company; or (ii) any securities convertible into new shares of the Company, for cash consideration under the mandate in paragraph (a) of this resolution; and

(e) for the purposes of this Resolution:

“**Benchmarked Price**” means the price which is the higher of:

- (i) the closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited on the date of the agreement involving the relevant proposed issue of shares of the Company; and
- (ii) the average closing price as quoted on The Stock Exchange of Hong Kong Limited of the shares of the Company for the five trading days immediately preceding the earlier of:
 - (A) the date of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company;
 - (B) the date of the agreement involving the relevant proposed issue of shares of the Company; and
 - (C) the date on which the price of the shares of the Company that are proposed to be issued is fixed.

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

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“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

(B) “**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the date which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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- (C) “**THAT** conditional upon the passing of Resolutions 5(A) and 5(B) set out above, the aggregate nominal amount of the shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 5(B) above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Resolution 5(A) above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution.”

By order of the Board
Tian Shan Development (Holding) Limited
WU Zhen Shan
Chairman

Hong Kong, 30 April 2021

Registered office:

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head office and principal place of business:

Suite 801, 8th Floor
Everbright Centre
108 Gloucester Road
Wanchai
Hong Kong

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Notes:

1. Unless otherwise defined in this notice or the context requires otherwise, terms defined in the Circular shall have the same meanings when used in this notice.
2. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or, if he is holder of more than one share, more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
3. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the branch share registrar of the Company, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
4. The register of members of the Company will be closed from Thursday, 27 May 2021 to Tuesday, 1 June 2021 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 26 May 2021.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
6. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
7. The vote at the meeting will be taken by poll.
8. In order to facilitate the prevention and control of the spread of the Coronavirus disease (COVID-19) and to safeguard the health and safety of the shareholders of the Company, the Company encourages the shareholders of the Company to consider appointing the chairman of the AGM as his/her/its proxy to vote on the relevant resolution at the AGM as an alternative to attending the AGM in person.

As at the date of this notice, the executive directors of the Company are Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai; and the independent non-executive directors of the Company are Mr. Tian Chong Hou, Mr. Wang Ping and Mr. Cheung Ying Kwan.