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

(In Liquidation)

(清盤中)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2118)

**ENTERING INTO A TERM SHEET IN RESPECT OF LOAN FACILITY
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Tian Shan Development (Holding) Limited (In Liquidation) (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

THE LOAN

On 27 July 2023, the Company and The CIS FUND OFC (on behalf of CIS OPPORTUNITIES II FUND) (the “**Investor**”) entered into a legally binding term sheet (the “**Term Sheet**”) in relation to a Loan to be provided by the Investor in accordance with the terms thereof (the “**Loan**”). The principal terms of the Term Sheet are set out as follows:

- Parties:** (A) The Company, as the borrower; and
(B) The Investor, as the lender.
- Principal amount:** The principal amount of the Loan shall be HKD10,000,000 and such additional sums as may be agreed in writing between the Company and the Investor.
- Purpose of the Loan:** The Loan shall be utilised for the sole purpose of settling the professional fees and expenses (the “**Professional Fees**”) incurred or to be incurred by the Company and the Investor in connection with the intended restructuring of the Company (the “**Intended Restructuring**”), which is expected to involve possible subscription of new shares of the Company (the “**Possible Subscription**”) and scheme of arrangement with the creditors of the Company.
- Drawdown of the Loan:** The Loan shall be drawn in installments by way of the Investor’s direct settlement of the Professional Fees payable by the Company in

accordance with the terms and conditions of the Term Sheet.

The Loan Facility Agreement: The definitive agreement of the Term Sheet (the “**Loan Facility Agreement**”) is expected to be entered into by the Company and the Investor on or before 31 August 2023 or such later date as the parties may agree in writing.

Interest of the Loan: The Loan shall be repaid together with interest thereon at the rate of 15% per annum accruing daily on the basis of 365 days of a year.

Repayment of the Loan: Save for the events of (a) no completion of the Possible Subscription taking place within six months of the date of the Loan Facility Agreement; or (b) the Term Sheet or the Loan Facility Agreement (as the case may be) is terminated; or (c) the Loan is declared matured and repayable by the Investor with a written notice, in which events the Loan and the interest accrued thereon shall be repayable forthwith by the Company, the outstanding amount of the Loan and interest thereon shall be set-off against part of the consideration for the Possible Subscription on a dollar-for-dollar basis.

Right of first refusal The Company agreed to confer on the Investor a right of first refusal in relation to the Intended Restructuring, under which the Investor has the priority to invest in the Intended Restructuring over other investors in a period commencing from the date of the Loan Facility Agreement to the maturity of the Loan, provided that the terms of restructuring offered by the Investor are substantially the same as those offered by other investors.

INFORMATION OF THE INVESTOR

The Investor is an open-ended fund company incorporated in Hong Kong, of which CIS OPPORTUNITIES II FUND is a sub-fund. To the best of the Company’s knowledge, information and belief, having made all reasonable enquiries, the Investor is an Independent Third Party.

CONTINUED SUSPENSION OF TRADING OF THE SHARES

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022. Pending fulfilment of the resumption guidance, trading in the shares of the Company on the Stock Exchange will remain suspended until further notice.

Shareholders of the Company who have any queries about the implications of the delisting of the Shares and the continued suspension of trading, should obtain appropriate professional advice.

WARNINGS

As at the date of this announcement, the Company has not entered into any agreement in relation to the Intended Restructuring other than the Term Sheet. The Term Sheet may or may not lead to the entering into agreement(s) contemplating the Intended Restructuring and the transactions

thereunder. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

For and on behalf of
Tian Shan Development (Holding) Limited
(In Liquidation)
Lai Kar Yan (Derek)
Chan Man Hoi (Ivan)
Joint and Several Liquidators
acting as agents without personal liability

Hong Kong, 27 July 2023

As at the date of this announcement, the executive Directors are Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai; and the independent non-executive Directors are Mr. Tian Chong Hou and Mr. Wang Ping.

Upon the making of the winding up order, all powers of Directors ceased. The affairs, business and property of the Company are being managed by the Liquidators who act as the agents of the Company only and without personal liability.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.