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天津發展控股有限公司
TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

POTENTIAL DISPOSAL OF 24.65% EQUITY INTEREST IN TIANJIN TANABE SEIYAKU CO., LTD.

The Board announces that Lisheng Pharmaceutical, an indirect non-wholly owned subsidiary of the Company, intends to dispose of all of its 24.65% equity interest in Tianjin Tanabe by way of public listing-for-sale process. The initial bidding price for the Potential Disposal is RMB120,292,000 (equivalent to approximately HK\$130,610,206).

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Potential Disposal is expected to be more than 5% but all of them are expected to be less than 25%, the Potential Disposal, if materialised, may constitute a discloseable transaction of the Company and will therefore, be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, no binding agreement in relation to the Potential Disposal has been entered into by Lisheng Pharmaceutical. Commencement of the public listing-for-sale process is also subject to the approval by shareholders of Lisheng Pharmaceutical at its general meeting. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate.

As the Potential Disposal may or may not materialise, Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

THE POTENTIAL DISPOSAL

The Board announces that Lisheng Pharmaceutical, an indirect non-wholly owned subsidiary of the Company, intends to dispose all of its 24.65% equity interest in Tianjin Tanabe. In accordance with the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC, the Potential Disposal will be conducted on the Tianjin Property Rights Exchange Centre (天津產權交易中心) by way of public listing-for-sale process. Commencement of the public listing-for-sale process is subject to the approval by the shareholders of Lisheng Pharmaceutical at its general meeting.

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

The Potential Disposal is made in line with Lisheng Pharmaceutical's overall strategic planning. The Board considers that the Potential Disposal, if materialised, will enhance the operational efficiency of assets of the Group, optimise allocation of the Group's resources and strengthen the cash flow of the Group.

The financial effect of the Potential Disposal on the Group will depend on the final bid price, the actual payment of relevant tax expenses incidental to the Potential Disposal and the relevant transaction costs, and shall be subject to audit by the Company's auditors.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Potential Disposal is expected to be more than 5% but all of them are expected to be less than 25%, the Potential Disposal, if materialised, may constitute a discloseable transaction of the Company and will therefore, be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The principal activity of the Company is investment holding. The principal activities of the Group are (i) utilities including supply of electricity, water and 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 34.08% of the issued share capital of Lisheng Pharmaceutical.

MTPC is a subsidiary of Mitsubishi Chemical Group Corporation, a company listed on the Prime Market of Tokyo Stock Exchange, and is principally engaged in the manufacturing and sales of drugs, with a focus on drugs for medical use. Grand Pharma (China) is a subsidiary of Grand Pharmaceutical Group Limited, a company listed on the Main Board of the Stock Exchange, and is principally engaged in the manufacturing and sales of pharmaceutical products in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of MTPC, Grand Pharma (China) and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

GENERAL

The Board wishes to emphasize that as at the date of this announcement, no binding agreement in relation to the Potential Disposal has been entered into by Lisheng Pharmaceutical. Commencement of the public listing-for-sale process is also subject to the approval by shareholders of Lisheng Pharmaceutical at its general meeting. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate.

As the Potential Disposal may or may not materialise, Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

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| “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 (Stock Code: 882) |
| “Directors” | the directors of the Company |
| “Grand Pharma (China)” | Grand Pharma (China) Co., Ltd. (遠大醫藥(中國)有限公司), a company established in the PRC with limited liability and a subsidiary of Grand Pharmaceutical Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 512) |
| “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 an indirect non-wholly owned subsidiary of the Company, which is listed on the A Shares Market of the Shenzhen Stock Exchange (Stock Code: 002393). As at the date of this announcement, the Company indirectly holds approximately 34.08% of the issued share capital of Lisheng Pharmaceutical |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “MTPC” | Mitsubishi Tanabe Pharma Corporation (田邊三菱製藥株式會社), a company incorporated in Japan, which is wholly-owned by Mitsubishi Chemical Group Corporation |
| “Potential Disposal” | the potential disposal of the entire 24.65% equity interest in Tianjin Tanabe by Lisheng Pharmaceutical by way of public listing for-sale process to be conducted on the Tianjin Property Rights Exchange Centre (天津產權交易中心) |

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| “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 |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | holder(s) of share(s) in the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tianjin Tanabe” | Tianjin Tanabe Seiyaku Co., Ltd. (天津田邊製藥有限公司), a company established in the PRC and is owned as to 75.35% and 24.65% by MTPC and Lisheng Pharmaceutical respectively |
| “Valuation Report” | the valuation report issued by Beijing Chinese Enterprise China Assets Evaluation Co., Ltd. (北京中企華資評估有限責任公司) dated 27 March 2024 in respect of the valuation of Tianjin Tanabe as at 30 November 2023 |
| “%” | 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 RMB0.921 = 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
Teng Fei
Chairman and Executive Director

Hong Kong, 10 May 2024

As at the date of this announcement, the Board of the Company consists of Mr. Teng Fei, Dr. Zhai Xinxiang, 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*