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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 PROPERTIES AND ANCILLARY EQUIPMENT HELD BY TIANJIN BIOCHEMICAL PHARMACEUTICAL CO., LTD.**

The Board announces that Tianjin Biochemical intends to dispose of the Properties and the Ancillary Equipment by way of public listing for-sale process. The initial bidding price for the Potential Disposal is RMB168,903,800 (equivalent to approximately HK\$197,202,335).

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 Tianjin Biochemical. 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 Tianjin Biochemical, a wholly-owned subsidiary of Lisheng Pharmaceutical, intends to dispose of the Properties and the Ancillary Equipment. 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 conditional upon, *inter alia*, obtaining the approval by the shareholders at the general meeting of Lisheng Pharmaceutical.

The initial bidding price for the Potential Disposal is RMB168,903,800 (equivalent to approximately HK\$197,202,335). The initial bidding price is determined with reference to the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC and the appraised value of the Properties and the Ancillary Equipment as set out in the Valuation Report. In the event that there is no bidder for the Potential Disposal within the first 20 business days from the date of commencement of the public listing-for-sale process, Tianjin Biochemical may make downward adjustments to the bidding price and extend the bidding period in accordance with, among other things, the rules of the Tianjin Property Rights Exchange Centre (天津產權交易中心).

Shareholders and/or potential investors of the Company should note that the final consideration for the Potential Disposal will depend on the final bid price to be offered by the successful bidder in the public listing-for-sale process. Tianjin Biochemical will enter into a formal agreement with the successful bidder following completion of the public listing-for-sale process. The final consideration for the Potential Disposal will be payable by the successful bidder to a designated account in one lump sum within a specified period of time after the signing of the formal agreement.

## **INFORMATION ON THE PROPERTIES AND THE ANCILLARY EQUIPMENT**

As at the date of this Announcement, Tianjin Biochemical is the registered and beneficial owner of the Properties and the Ancillary Equipment. The Properties comprise the land parcel for industrial use located at No. 9 Huanhe South Road, Tianjin Airport Economic Area, Tianjin, PRC (中國天津市天津空港經濟區環河南路9號) with a land use right area of 20,999.9 square meters for a term commencing from 15 December 2010 to 14 December 2060, and a vaccine plant, a research centre and 5 structures erected thereon, with a total construction area of 27,750.71 square meters. The vaccine plant is currently leased to a tenant under a tenancy agreement for a term commencing from 1 June 2022 to 31 May 2023 with a monthly rental of RMB272,707.42 (equivalent to approximately HK\$318,397). Upon completion of the Potential Disposal, the said rental income will be enjoyed by the successful bidder. The Ancillary Equipment comprises 220 vaccines-related machineries and 1 electronic equipment associated with the Properties.

Based on the financial information of Tianjin Biochemical for the year ended 31 December 2021, the book value of the Properties and the Ancillary Equipment was RMB157,147,600 (equivalent to approximately HK\$183,476,474). The unaudited net loss (both before and after taxation) attributable to the Properties and the Ancillary Equipment for the year ended 31 December 2020 and 2021 were approximately RMB74,452,800 (equivalent to approximately HK\$86,926,795) and RMB10,174,900 (equivalent to approximately HK\$11,879,626), respectively. According to the Valuation Report, the appraised value of the Properties and the Ancillary Equipment as at 31 December 2021 was RMB168,903,800 (equivalent to approximately HK\$197,202,335).

## **REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL**

In 2020, Tianjin Biochemical had terminated the 23-valent pneumococcal polysaccharide vaccine project after considering its cost-effectiveness and economic benefit following the evaluation by the Center for Drug Evaluation of National Medical Products Administration in the PRC, and thereafter the Properties and the Ancillary Equipment have been under-utilised. Having considered that there are limited alternative purposes that can be carried out by the Properties and the Ancillary Equipment due to their unique characteristics, the Board considers that the Potential Disposal will enhance the operational efficiency of the assets of the Group, reduce operation costs, and optimise the Group's assets structure. The Board believes that the proceeds from the Potential Disposal can further strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development. The possible financial effect of the Potential Disposal on the Group will depend on the final bid price, subject to results of audit.

## **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 engaging in the manufacture and sale of elevators and escalators and provision of port services in Tianjin.

Tianjin Biochemical is a wholly-owned subsidiary of Lisheng Pharmaceutical and is principally engaged in development and manufacture of chemical and biochemical drugs. As at the date of this announcement, the Company indirectly holds approximately 34.41% of the issued share capital of Lisheng Pharmaceutical.

## **GENERAL**

The Board wishes to emphasize that as the date of this announcement, no binding agreement in relation to the Potential Disposal has been entered into by Tianjin Biochemical. 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 otherwise requires, the following expressions have the following meanings:

“Ancillary Equipment”	220 vaccines-related machineries and 1 electronic equipment associated with the Properties
“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”	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 PRC
“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). As at the date of this announcement, the Company indirectly holds approximately 34.41% of the issued share capital of Lisheng Pharmaceutical
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Potential Disposal”	the potential disposal of the Properties and the Ancillary Equipment by Tianjin Biochemical 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)
“PRC”	the People’s Republic of China (for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Properties”	the land parcel for industrial use located at No. 9, Huanhe South Road, Tianjin Airport Economic Area, Tianjin, PRC (中國天津市天津空港經濟區環河南路9號) with a land use right area of 20,999.9 square meters, and a vaccine plant, a research centre and 5 structures erected thereon, with a total construction area of 27,750.71 square meters

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	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 Biochemical”	Tianjin Biochemical Pharmaceutical Co., Ltd. (天津生物化學製藥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Lisheng Pharmaceutical
“Valuation Report”	the valuation report of the Properties and the Ancillary Equipment prepared by Zhongrui Shilian Assets Appraisal Group Co., Ltd. (中瑞世聯資產評估集團有限公司), using both the asset-based approach and the market approach with 31 December 2021 as the appraisal reference date
“%”	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 RMB0.8565 = 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, 30 June 2022

*As at the date of this announcement, the Board of the Company consists of Mr. Wang Gang, 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*