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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)**

## **DISCLOSEABLE TRANSACTION**

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

#### **THE ASSETS TRANSFER AGREEMENT**

Reference is made to the announcement of the Company dated 30 June 2022 in relation to the proposed disposal of the Properties and the Ancillary Equipment held by Tianjin Biochemical, a wholly-owned subsidiary of Lisheng Pharmaceutical, through a public listing-for-sale process on the Tianjin Property Rights Exchange Centre.

On 13 December 2022, Tianjin Biochemical and Tianjin Ruixin entered into the Assets Transfer Agreement in relation to the Disposal at a total consideration of RMB120,000,000 (equivalent to approximately HK\$133,333,333).

#### **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 Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 30 June 2022 in relation to the proposed disposal of the Properties and the Ancillary Equipment held by Tianjin Biochemical, a wholly-owned subsidiary of Lisheng Pharmaceutical, through a public listing-for-sale process on the Tianjin Property Rights Exchange Centre.

The bidding period of the public listing-for-sale process ended on 7 December 2022, and Tianjin Ruixin has been confirmed as the qualified bidder by the Tianjin Property Rights Exchange Centre.

## **THE ASSETS TRANSFER AGREEMENT**

On 13 December 2022, Tianjin Biochemical and Tianjin Ruixin entered into the Assets Transfer Agreement, pursuant to which Tianjin Biochemical agreed to transfer and Tianjin Ruixin agreed to acquire the Properties and the Ancillary Equipment. Set out below is a summary of the principal terms of the Assets Transfer Agreement.

### **Date**

13 December 2022

### **Parties**

- (1) Tianjin Biochemical (as transferor)
- (2) Tianjin Ruixin (as transferee)

### **Assets to be disposed of**

Tianjin Biochemical agreed to transfer and Tianjin Ruixin agreed to acquire the Properties and the Ancillary Equipment. As at the date of this announcement and the Assets Transfer Agreement, Tianjin Biochemical is the registered and beneficial owner of the Properties and the Ancillary Equipment.

### **Consideration and payment terms**

The initial floor price for the Disposal is RMB168,903,800 (equivalent to approximately HK\$187,670,889), determined with reference to the relevant requirements governing the transfer of state-owned assets of enterprises in the PRC and the appraised asset value of the Properties and the Ancillary Equipment stated in the Valuation Report. As no qualified bidder was identified during the initial bidding period, Tianjin Biochemical had made several floor price downward adjustments, in accordance with, *inter alia*, the rules of the Tianjin Property Rights Exchange Centre, and finally adjusted the floor price to RMB120,000,000, and extended the bidding period.

The final bidding period of the public listing-for-sale process ended on 7 December 2022, and Tianjin Ruixin has been confirmed as the qualified bidder by the Tianjin Property Rights Exchange Centre. The total consideration for the Disposal is RMB120,000,000 (equivalent to approximately HK\$133,333,333), which is the final bidding price offered by Tianjin Ruixin during the public listing-for-sale process.

Prior to entering into the Assets Transfer Agreement, Tianjin Ruixin has remitted a transaction deposit of RMB30,000,000 to the designated account of the Tianjin Property Rights Exchange Centre, which will be directly credited as part of the full consideration for the Disposal upon the signing of the Assets Transfer Agreement. Tianjin Ruixin shall remit the balance of the consideration for the Disposal to the settlement account designated by the Tianjin Property Rights Exchange Centre within 5 working days from the effective date of the Assets Transfer Agreement. Having issued the transaction certificate, the Tianjin Property Rights Exchange Centre will transfer the entire amount of the consideration to the account designated by Tianjin Biochemical. Tianjin Biochemical shall deliver to Tianjin Ruixin the supporting documents and technical information in respect of the Properties and the Ancillary Equipment within 20 working days after the receipt of all the relevant amount, and shall provide necessary assistance to Tianjin Ruixin for the completion of registration at the relevant government authorities for changes in respect of the Properties and the Ancillary Equipment.

The total consideration for the Disposal does not include value-added tax. The value-added tax shall be borne and paid by Tianjin Ruixin, other taxes and handling fees incurred arising from the Disposal shall be borne by each party respectively.

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

The Properties are comprised of 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 right-of-use of land area of 20,999.9 square meters and a term of use 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 Tianjin Ruixin pursuant to a lease agreement for a term commencing from 1 June 2022 to 31 May 2023 at a monthly rental of RMB272,707.42 (equivalent to approximately HK\$303,008). The Ancillary Equipment comprises 220 vaccines-related machineries and 1 electronic equipment associated with the Properties.

Based on the financial information of Tianjin Biochemical as at 30 November 2022, the unaudited carrying value of the Properties and the Ancillary Equipment was approximately RMB153,274,000 (equivalent to approximately HK\$170,304,444). As at the two years ended 31 December 2020 and 2021, the unaudited net losses (before and after taxation) of the Properties and the Ancillary Equipment were approximately RMB74,452,800 (equivalent to approximately HK\$82,725,333) and RMB10,174,900 (equivalent to approximately HK\$11,305,444) respectively.

## **REASONS FOR AND BENEFITS OF THE 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 Disposal will be able to enhance the operational efficiency of the assets of the Group, reduce operational costs, and optimise the Group's assets structure. The Board believes that the proceeds from the Disposal can further strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development.

The Directors are of the view that the terms and conditions of the Assets Transfer Agreement are on normal commercial terms and are fair and reasonable, whereas the Disposal is in the ordinary and usual course of business of the Group and is in the best interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

It is estimated that an unaudited loss of approximately RMB36,028,600 (equivalent to approximately HK\$40,031,778) will arise from the Disposal. Such estimated unaudited loss is calculated with reference to (i) the total consideration for the Disposal; (ii) the estimated unaudited carrying value of the Properties and the Ancillary Equipment as at 30 November 2022; and (iii) all the estimated relevant tax expenses incidental to the Disposal. The Company intends to apply the proceeds from the Disposal as general working capital of the Group.

## 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 Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is 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.

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.

Tianjin Ruixin is a company established in the PRC with limited liability, and is principally engaged in the businesses of technical services, development, consulting, transfer and promotion; pet services (excluding veterinary medicine); retail and wholesale of pet food and equipment; and sales of Class I medical devices. Tianjin Ruixin is indirectly controlled as to 60% by a limited partnership which is in turn held as to 84% by Mr. Li Shoujun and as to 16% by Ms. Li Rui. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Tianjin Ruixin and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## DEFINITIONS

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

“Ancillary Equipment”	220 vaccines-related machineries and 1 electronic equipment associated with the Properties
“Assets Transfer Agreement”	the assets transfer agreement dated 13 December 2022 entered into between Tianjin Biochemical and Tianjin Ruixin in respect of the Disposal
“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
“Disposal”	the disposal of the Properties and the Ancillary Equipment by Tianjin Biochemical by way of public listing-for-sale process conducted on the Tianjin Property Rights Exchange Centre
“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 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
“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)
“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
“Shareholder(s)”	holder(s) of share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Property Rights Exchange Centre”	Tianjin Property Rights Exchange Centre Co., Ltd. (天津產權交易中心有限公司), a company established in the PRC with limited liability
“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

“Tianjin Ruixin”	Tianjin Ruixin Biomedical Co., Ltd. (天津瑞欣生物醫藥有限公司), a company established in the PRC with limited liability
“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 RMB0.90 = 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, 13 December 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*