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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONNECTED TRANSACTION FORMATION OF LIMITED PARTNERSHIP FUND

Reference is made to the announcement of the Company dated 11 December 2023 (the “**Announcement**”) in relation to the Partnership Agreement. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless otherwise stated. This announcement is to provide further information on the Partnership Agreement and the Limited Partnership Fund.

INFORMATION ON THE FUND MANAGER

Bozheng Capital was established on 29 November 2020 in the PRC with the approval of the China Securities Regulatory Commission and has registered with the Asset Management Association of China on 20 March 2018. Bozheng Capital has had years of experience in investments in comprehensive projects such as industrial funds, IPOs, and mergers and acquisitions management, with a focus on the fields of new materials, biomedicine, new energy and other strategic emerging industries. The accumulated assets under the management of Bozheng Capital currently approaches RMB1 billion.

The key management of Bozheng Capital are as follows:

- Mr. Hao He, general manager, graduated from Peking University with bachelor’s degree in economics and the Chinese University of Hong Kong with master’s degree in economics. He has more than 10 years of experience in well-known financial institutions. He held senior positions in China International Capital Corporation Limited (中國國際金融股份有限公司), CITIC Trust Co., Ltd. (中信信託有限責任公司), Cinda Securities Co. Ltd. (信達證券股份有限公司), and National Green Development Fund (國家綠色發展基金) before joining Bozheng Capital.
- Mr. Xie Yaoxian, deputy general manager, graduated from Central University of Finance and Economics with master’s degree in management. He has 5 years of experience in industrial investment and 8 years of investment experience in financial institutions. He served as the investment director of Rongxin Power Electronic Co., Ltd. (榮信電力電子股份有限公司) before joining Bozheng Capital.

- Mr. Li Mingwang, head of risk control and compliance, graduated from Tianjin University with bachelor's degree in laws, Nankai University with master's degree in law. He has nearly 20 years of experience in risk control and compliance.
- Mr. Zhuang Guoliang, person in charge of finance, middle office and business support, graduated from Nankai University with master's degree in management. He is a certified public accountant and chartered financial analyst and has 20 years of experience in financial industry.
- Mr. Liu Minchong, manager of the investment department, graduated from Tianjin Normal University with master's degree in laws and has 4 years of experience in stock exchange and 10 years of equity investment experience.
- Mr. Zhang Qun, vice president of the investment department, graduated from Tsinghua University with master's degree in chemical engineering. He is a chartered financial analyst and has 3 years of experience in investment banking and 4 years of equity investment, and is experienced in operation of financial products including REITs, ABS and corporate bonds.

As of the date of the Partnership Agreement, there have been four funds (excluding the Limited Partnership Fund) under the management of Bozheng Capital, involving a total of not less than 20 investors with diversified background including private corporations, institutional investors and individuals, with a focus on new materials, semiconductors, biomedicine, high-end manufacturing and other forms of high-end technologies. The aggregate subscription size and the aggregate revenue of the funds is around RMB315,500,000 and RMB230,107,900 respectively. A total of 13 projects and project investments were invested by such funds.

INVESTMENT MANDATE

As disclosed in the Announcement, the Limited Partnership Fund shall principally invest in the sector of healthcare, focusing on small molecule and innovative drugs, biopharmaceuticals, high-end preparations, high-end medical equipment as well as medical services, etc. The investment size in a single investment project shall not exceed 25% of the net asset value of the Limited Partnership Fund from time to time. For the purpose of idle fund management, the Limited Partnership Fund may invest cash assets to be invested or distributed and provision of expenses in investment products recognized by the China Securities Regulatory Commission that are publicly issued in accordance with the law. The Limited Partnership Fund shall not engage in the following types of activities or investments:

- (i) publicly listed liquid securities (except for non-publicly issued and traded stocks of listed companies), futures, options, forward contracts, securities investment funds (except for money market funds), corporate bonds, trust products, non-principal guaranteed financial management products, insurance plans and other financial derivatives (except for securities transactions that may occur when the Limited Partnership Fund withdraws from a particular investment portfolio);
- (ii) guarantee, mortgage, entrusted loan and other related business;
- (iii) provision of sponsorship and donations to any third party (except for charitable donations approved in a Partners' meeting);

- (iv) foreign investments that may expose the Limited Partnership Fund to unlimited or unlimited joint and several liability;
- (v) real estate industry and industries restricted by national policies;
- (vi) any other businesses that are prohibited by national laws and regulations;
- (vii) raising financing debt as borrower; or
- (viii) provision of guarantee as guarantor.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE LIMITED PARTNERSHIP FUND

As disclosed in the Announcement, the Group's pharmaceutical business involves the manufacture and sales of chemical drugs, and research and development of new medicine technology and new products. Being as a traditional pharmaceutical company, Lisheng Pharmaceutical lacks the advantage in terms of vision, experience and opportunities necessary for other investment alternatives like direct investment in the high-end pharmaceutical industry. It would be to its advantage to take part in the formation of the Limited Partnership Fund with a focus on small molecule, and innovative drugs, biopharmaceuticals, high-end preparations. Having considered the reputation, experience and expertise of Bozheng Capital and its investment portfolio which is in line with Lisheng Pharmaceutical's strategic plan and business development objectives, and taking into account the fact that Bozheng Capital contributed the largest portion into the Limited Partnership Fund and also acts as a General Partner and the manager of the Limited Partnership Fund, the participation in the Limited Partnership Fund enables the Group to reduce its risk exposure and would allow the Group to leverage on the manager's strength and professionalism in project negotiation, investment decision-making and risk management in regard to high-end pharmaceutical industry. The participation of the Group as a General Partner will also enable representatives of Lisheng Pharmaceutical to be directly involved in the operation of the fund and consideration of investment opportunities, enhancing the Group's understanding of the latest development and expanding the Group's exposure to potential business opportunities in the relevant industry.

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.

By Order of the Board
Tianjin Development Holdings Limited
Wang Gang
Chairman and Executive Director

Hong Kong, 3 January 2024

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