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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)

## MATERIAL VARIATION OF THE TERMS OF CONNECTED TRANSACTION IN RELATION TO THE PARTNERSHIP AGREEMENT

Reference is made to the announcements of the Company dated 11 December 2023 and 3 January 2024 (the “**Announcements**”) in relation to the Partnership Agreement. Capitalised terms used herein shall have the same meaning as those defined in the Announcements unless otherwise stated.

### BACKGROUND

Pursuant to the Partnership Agreement, the Limited Partnership Fund was established and all Partners had made capital contribution to the Limited Partnership Fund in full. The Partners and their respective capital commitment to the Limited Partnership Fund are as follows:

	Type	Capital commitment RMB	Capital proportion %
Bozheng Capital	General partner	25,500,000	42.50
Lisheng Investment	General partner	1,000,000	1.67
Lisheng Pharmaceutical	Limited partner	24,000,000	40.00
Tianjin Jinjia	Limited partner	6,000,000	10.00
Tianjin Handeway	Limited partner	3,500,000	5.83
	<b>Total</b>	<b>60,000,000</b>	<b>100.00</b>

### THE SUPPLEMENTAL AGREEMENT

On 14 March 2024, Lisheng Pharmaceutical (an indirect non-wholly owned subsidiary of the Company) and Lisheng Investment (a wholly-owned subsidiary of Lisheng Pharmaceutical) entered into a supplemental agreement to the Partnership Agreement (the “**Supplemental Agreement**”) with Bozheng Capital, Tianjin Jinjia and Tianjin Handeway to amend certain terms of the Partnership Agreement.

The material amendments to the terms of the Partnership Agreement under the Supplemental Agreement are summarised below:

- (a) the parties acknowledge that Lisheng Investment will transfer its 1.67% general partnership interest in the Limited Partnership Fund (the “**Subject Interest**”) to Lisheng Pharmaceutical at a consideration of RMB1,000,000 (the “**Transfer**”) and all other parties agree to waive their pre-emptive right in relation to the Subject Interest;
- (b) upon completion of the Transfer, the Subject Interest shall be converted into limited partnership interest and Lisheng Investment shall cease to be a partner to the Limited Partnership Fund;
- (c) Lisheng Pharmaceutical shall bear unlimited liability of the Limited Partnership Fund attaching to the Subject Interest arising before the completion of the Transfer;
- (d) Lisheng Investment shall be entitled to executive partner’s remuneration at an annual rate of 0.6% based on the number of days from the day of the establishment of the Limited Partnership Fund up to the day of completion of industrial and commercial registration of changes in relation to the Transfer, and shall return any excess remuneration received to the Limited Partnership Fund within 15 working days from the day of completion of industrial and commercial registration of changes in relation to the Transfer; and
- (e) distributable income shall be distributed in the following order:
  - (1) distribution shall first be made to each of the Partners in proportion to its respective paid-up capital contribution at the time of the distribution until all Partners have recovered their respective paid-up capital contribution;
  - (2) distribution shall then be made to each of the Partners until the cumulative amount received by each of the Partners reaches an amount equivalent to a simple interest of 8% per annum on its respective paid-up capital contribution;
  - (3) out of the remaining distributable income (if any), 86% shall be distributed among all the Partners in proportion to their respective paid-up capital contribution, and 14% shall be distributed to Bozheng Capital in its capacity of the manager as performance-based remuneration.

Save as disclosed above, all other terms of the Partnership Agreement remain unchanged in all material respect.

Upon completion of the Transfer, the Partners and their respective capital commitment to the Limited Partnership Fund will become as follows:

	<b>Type</b>	<b>Capital commitment RMB</b>	<b>Capital proportion %</b>
Bozheng Capital	General partner	25,500,000	42.50
Lisheng Pharmaceutical	Limited partner	25,000,000	41.67
Tianjin Jinjia	Limited partner	6,000,000	10.00
Tianjin Handeway	Limited partner	3,500,000	5.83
	<b>Total</b>	<b>60,000,000</b>	<b>100.00</b>

## **REASONS FOR AND IMPLICATIONS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

Lisheng Pharmaceutical has further evaluate the costs of staffing and personnel for Lisheng Investment to engage professionals to take part in the operation of the Limited Partnership Fund as a general partner would outweigh the benefits of acting as an executive partner and receiving the fixed remuneration. Despite being only a limited partner after the transfer of Subject Interest, Lisheng Pharmaceutical will keep the same percentage of partnership interest and continue to be able to involve in the operation of the fund and consideration of investment opportunities by nominating its existing personnel to serve as members of the Investment Committee.

The terms of the Supplemental Agreement were determined after arm's length negotiation between the parties thereto and on normal commercial terms. The Directors (including the independent non-executive Directors), after weighing the costs and benefits as mentioned above, are of the view that terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable, and the entering into of the Supplemental Agreement and the transactions contemplated thereunder is, albeit not in the ordinary and usual course of business of the Group, conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Supplemental Agreement. For good corporate governance practices, Mr. Wang Gang, being a Director who is also the chairman of Tianjin Bohai and holds executive positions in TEDA Holding, was absent from the relevant Board meeting and did not vote on the Board resolutions approving the entering into of the Supplemental Agreement and the transactions contemplated thereunder, whereas Mr. Teng Fei, being a Director who is also the general manager of Tianjin Bohai and a director of Lisheng Pharmaceutical, and Mr. Sun Lijun, being a Director who is also a supervisor of Tianjin Bohai and Lisheng Pharmaceutical, were present at the relevant Board meeting and have voluntarily abstained from voting on the aforesaid Board resolutions.

## **LISTING RULES IMPLICATIONS**

Bozheng Capital is a wholly-owned subsidiary of BHSC. As at the date of this announcement, TEDA Holding, the controlling Shareholder, which indirectly holds a total of 673,759,143 shares of the Company, representing approximately 62.81% of the total issued shares of the Company, through certain of its subsidiaries including Tianjin Bohai, holds approximately 46.37% of the equity interest in BHSC. Bozheng Capital is therefore an associate of TEDA Holding and a connected person of the Company. Accordingly, the entering into of the Partnership Agreement and the Supplemental Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the note to Rule 14A.35 of the Listing Rules, if there is any material variation of the terms of a connected transaction, the listed issuer must announce this fact as soon as practicable and also comply with all other applicable provisions under the Listing Rules. Since the Supplemental Agreement constitutes material variation to certain terms of the Partnership Agreement, the Supplemental Agreement is subject to announcement requirements under Rule 14A.35 of the Listing Rules.

As the Group's initial capital commitment under the Partnership Agreement remains unchanged and the highest applicable percentage ratio in respect thereof exceeds 0.1% but is less than 5%, the entering into of the Supplemental Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements.

## 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, 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.

Bozheng Capital is principally engaged in investment management and investment consultancy.

Tianjin Jinjia is principally engaged in investment and operation of market-oriented industries and state-owned capital and is a wholly-owned subsidiary of Tianjin Jiarui Investment Holding Co., Ltd. (天津市嘉瑞投資控股有限公司), which is in turn wholly-owned by the Hedong District State-owned Assets Supervision and Administration Commission (天津市河東區人民政府國有資產監督管理委員會).

Tianjin Handeway is principally engaged in manufacturing Active Pharmaceutical Ingredients and pharmaceutical intermediates, and is owned by Mr. Wang Lifeng as to 61.8386% and by Mr. Wang Zhongyu as to 38.1614%.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Tianjin Jinjia and Tianjin Handeway and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

By Order of the Board  
**Tianjin Development Holdings Limited**  
**Zhai Xinxiang**  
*Executive Director and General Manager*

Hong Kong, 14 March 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*